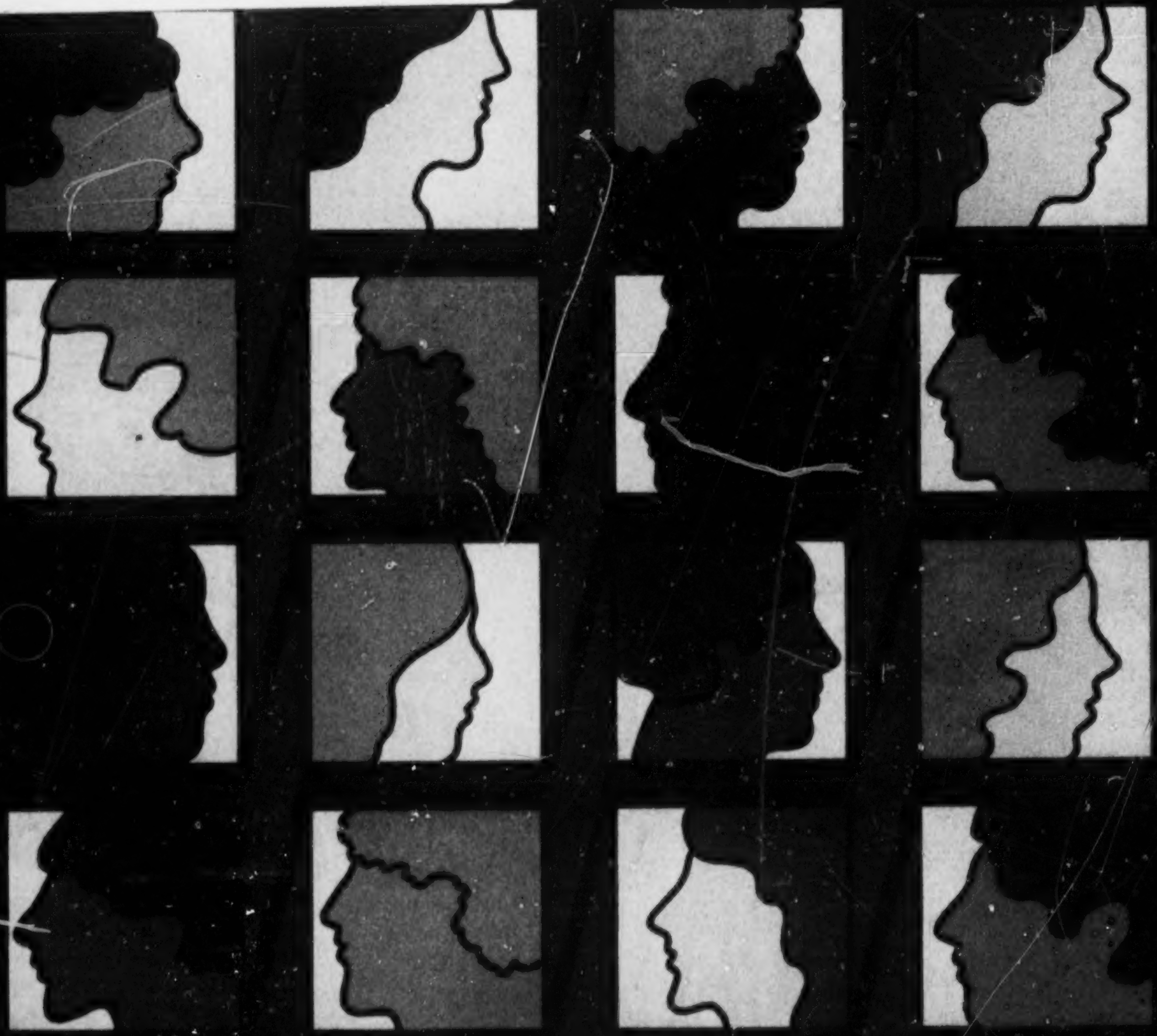
National Restaurant Association

Vol. 2 □ No. 5 □ May 1982

NRA NEWS

-1 A8200-1 5/25/82



PUT HUMAN RESOURCES WHERE IT BELONGS UP FRONT

Meeting the needs of our industry and helping the public

Our industry is in luck because it has brought self-interest and public service together. We are learning to solve our human resource needs by helping people.

Foodservice means opportunity for millions. We are among the largest employers of minority managers. Sixty-six percent of our employees are women and 24 percent are teenagers. We are also the largest employer of the physically handicapped and mentally restored.

By 1990 the number of full-time positions in foodservice will increase by 39.5 percent. Where will we find a sufficient number of qualified people? In a period of high unemployment, this problem could be easily solved. We need only help the public see that foodservice offers exciting careers with rapid advancement. After all, 31 percent of our employees are managers.

NRA works with the government in programs like PWI (Projects With Industry) to help train handicappd people for careers in foodservice. Projects like SMART (Sites Made Available for Restaurant Training) allow foodservice operators to help former drug abusers find meaningful work in our industry.

Individual entrepreneurs have developed model programs to solve human resource problems. Some are working on increasing productivity and employee retention. Others are concentrating on motivation through involvement. These are some of the projects and issues featured in this month's *NRA News*.

And they are some of the topics to be covered at the NRA National Conference on Human Resources scheduled for Washington, DC next month. Sharing ideas about problems and opportunities is what NRA is all about. That is why we are bringing the experts together to talk about human resources on June 21 and 22. Join us then to hear what fellow restaurateurs are doing about employee selection, training, productivity, union activities and the legal problems raised by OSHA, TJTC and illegal aliens. Human resources is the most important topic in our industry. Come join in the discussion.

Sincerely,

Ernie Royal

Chairman,
Human Resources Committee

NRA NEWS

Officers
Chairman of the Board
Walter Conti
Vice Chairman
Jack A. Laughery
Treasurer
John G. Dankos
Chief Staff Officer
Robert Neville
Corporate Secretary
Ruth K. Tracy

Chairman
Communications Committee
Michael J. Grisanti
Executive Committee
Ted Balestreri
James A. Collins
Edward O. Elliott
Stanton D. Elliott
Thad A. Eure, Jr.
Ralph B. Evans
G. "Jim" Hasslocher
Larry Hilaire
Michael E. Hurst
Joe R. Lee
Harris O. Machus
Michael O'Neal
William F. Regas
John L. Rian
Ernest H. Royal
Harris H. Rusitzky

Senior Director
Jeffrey R. Prince
Executive Editor
Steven J. Dahllof
Editor
Sylvia Rivchun
Communications Specialists
Carol A. Caprione
Elyse G. Cuttler
Section Editors
Bette B. Hoyt
Jay H. Morris
Staff Contributors
Walter Ashcraft
Joan E. Campbell
Tom C. Corcoran
Cindy M. Estis
Clyde L. Griffith
Elizabeth E. Hendrix
Art Miller
Susan F. Mills
Robert A. Palmer
Tina Packard
Andrew P. Poledor
James T. Rogers
John R. Rolfs
Rachel A. Zachary

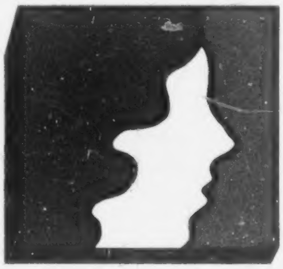
Editorial offices
and NRA headquarters
311 First Street, N.W.
Washington, DC 20001
(202) 638-6100

Chicago offices
One IBM Plaza, Suite 2600,
Chicago, IL 60611
(312) 787-2525

NRA News (ISSN 0465-7004) is published monthly by the National Restaurant Association, 311 First St., N.W., Washington, DC 20001. Membership dues include a one-year subscription to *NRA News*. The non-member subscription fee is $125 per year. Second-class postage paid at Chicago, IL 60607 and additional mailing offices. Copyright NRA 1982, all rights reserved. Postmaster, send address change to NRA News, 311 First St., N.W., Washington, DC 20001.

CONTENTS

Cover Story



No matter how fresh your ingredients or imaginative your recipes, your restaurant needs conscientious employees to thrive. This month *NRA News* takes a look at some of the exceptional HUMAN RESOURCE programs in the industry. The articles are designed to keep you abreast of new developments and to share proven ideas on training and motivating your staff.

9 Innovative **training program** for ex-drug addicts
11 **Case Report** on ways to build employee loyalty
13 **The Handicapped**: growing resource for food industry
16 Update on **targeted jobs tax credit** *(The Law)*
32 Pointers you can use to **motivate** your staff *(At Your Service)*

Specials

Small Business 3 **Update on Small Business.** Business failures, SBA loan cuts, interview with U.S. Congressman Parren Mitchell *(Washington Report)*
Menu Greats 14 **Winners** in this year's NRA Great Menu Contest

Departments

Short Orders 2 New study indicates **caffeine** may not cause birth defects
Washington Report 6 NRA opposes new bill requiring restaurateurs to keep records on **credit card tips**
7 New year for **NRA Political Action Committee**
The Board Room 8 **Board members** represent industry from coast to coast
State Department 17 States battle with **New Federalism**
Foodservice Trends 19 Customers rate restaurant service
21 Economic conditions affect eating out
23 Population, employment and income projected to 1990
26 Customer traffic up in winter quarter
30 NRA industry index
Hot off the Press 31 **New Books** — new edition of *The Legal Problem Solver*, two books on restaurant accounting and explanation of electronic cash registers

Caffeine effects re-examined

A recent study by researchers at Boston's Brigham and Women's Hospital concludes that caffeine in most cases was not the cause of birth defects, underweight babies, stillbirths or other abnormalities it has been blamed for in earlier studies.

The Boston researchers interviewed more than 12,000 women over three years and reported that smoking appeared to be the culprit in some problems earlier blamed on coffee.

The U.S. Food and Drug Administration (FDA) issued an advisory in 1980 cautioning pregnant women to avoid coffee and other sources of caffeine because of animal and human studies suggesting that caffeine might harm the fetus or affect birth.

The Boston study suggests that the previous studies were too small to be conclusive and did not identify which participant smoked. This is an important omission, because smoking has been known for years to be associated with low birth weight and premature births.

The Brigham team found that there appeared to be a small risk of premature rupture of membranes among women who drank four or more cups of coffee a day during the first three months of pregnancy. But for the most part, infants born to coffee and tea drinkers were just as healthy as those of abstainers.

Women who smoked throughout pregnancy, however, were nearly twice as likely to have underweight infants as non-smoking women, the study said. Smoking mothers-to-be reduced that risk significantly simply by not smoking.

SHORT ORDERS

Notice to readers

NRA's 1980 report on the size, scope and growth of the foodservice industry is not being published at its usual time. Important information needed for calculating these figures will not be available until mid-to-late April. As a result, the full report containing food and drink sales and purchases and numbers of establishments for the 50-plus segments of the industry will appear in the Foodservice Trends section of the combined June/July issue of *NRA News*.

Congressman Campbell meets with NRA finance group

The NRA Financial Officers and Tax Executives Groups met in Washington, DC, March 24-26. Rep. Carroll A. Campbell, Jr. (R-SC), a member of the House Appropriations Committee and a former Burger King franchisee, spoke to the group about Reaganomics and the federal budget process. Noting that nearly three-quarters of the budget is consumed by interest on the federal debt and by payments under various "entitlement" programs, Rep. Campbell expressed his confidence that budget cuts and increased investments brought about by tax reductions will ultimately lead to a balanced budget and the economic predictability necessary for real growth.

The NRA Financial Officers and Tax Executives Groups meet semi-annually to discuss operational and legislative problems in their professional fields.

Special combined issue due out July 1st

The combined June/July issue of the *NRA News* will be published on July 1. The two issues have been combined so that the NRA Show can be covered in-depth, while still giving you the wide variety of articles and news to which you have become accustomed.

Look for the combined June/July issue of *NRA News* during the beginning of July with special coverage of the 1982 Show.

Other features will include an interview on how to import and employ aliens with professor Michael Maggio who practices immigration law in Washington, DC.

Partners for the future

Industry and education objectives mesh

How to mesh industry and education objectives will be the topic of the Foodservice Industry and Education Panel and Curriculum Showcase during the NRA Show. Outstanding foodservice programs from high school, vocational-technical and community colleges will be featured with instructors on hand to discuss their curriculum.

Paul Scott, University of Georgia, will moderate the panel of distinguished educators and foodservice operators which consists of Walter Conti, NRA chairman; Peter Crafts, Minuteman Vocational-Technical Center, Lexington, MA; Nancy Dini, Dini's Sea Grill, Boston, MA; Dr. Gene Bottoms, American Vocational Association, Arlington, VA and Dr. Ray Kavanaugh, Red Lobster Inns of America, Orlando, FL. NRA Director Ernie Royal, Royal's Hearthside, Rutland, VT, will greet attendees.

The session will take place on Tuesday, May 25, from 10:00 a.m. to noon in the Jane Addams Room, McCormick Place, Chicago.

WASHINGTON REPORT

Small Business Update

A look at
- **business failures**
- **loan cuts**
- **Rep. Mitchell interview**

Government report indicates small business failures up

The economic health of the small business sector has been sorely tested "due to factors over which small business owners have little or no control," according to the first Annual Report on Small Business and Competition, submitted by the Small Business Administration (SBA) to Congress in March.

The 350-page report reveals
- a larger number of small businesses are contributing to a declining share of GNP
- bankruptcies and business failures have risen almost 30 percent in the last two years
- inflation of the past decade has made it difficult for small firms to replace assets and to continue to hold inventories without excessive borrowing and
- high interest rates have exacerbated the risks of borrowing.

Survival threatened. . .

Although small firms continue to generate the largest number of jobs, the report explains, the small firms' share of GNP, even in services, continues to decline. From 1977-79, the number of the smallest establishments — one to four employees — declined by 1.4 percent in almost every major industry, compared to their overall growth of 3.8 percent from 1975-77. The survival of businesses with under five employees is threatened, the report states, especially in retail trade, which experienced a decline of 15 percent from 1977-79 and manufacturing, which experienced a decline of 13 percent from 1977-79.

Bankruptcies, the report says, have hit small businesses the hardest during the last two years. Failure rates reaching 49 percent in construction, 47 percent in services, 41 percent in retail trade, and 32 percent in wholesale trade.

According to the report, a firm with 21-50 employees has a 54 percent chance of surviving four years. A firm with less than 20 employees has only a 37 percent chance of surviving four years.

The report blamed the excessive cost of borrowing for the increased small business vulnerability. "Excessive cost of borrowing and reduced availability of funds in a slow economy caused great difficulties to the cash flow position of many small businesses," the report says.

The report attributes small businesses' declining share of GNP to regulatory burdens, which, the report says, hit small businesses harder than larger ones. "In 1963, the small business share of the GNP was 43 percent. By 1976 that share had dropped to 39 percent."

A new law requires the President to report annually on the state of small business and competition. This year's SBA report is the first under the mandate, and it concentrates on setting out the most recent and relevant evidence describing small businesses. It describes changes in the economy and the small business sector and details the impact of federal policy on small business.

President supports free market incentives. . .

In an introduction signed by President Reagan, the report states that fundamental government policy regarding small business should "promote a strong, vibrant, private economy with policies that primarily rely upon free market forces to organize and allocate our economic resources. Economic growth and full employment must be restored while reducing inflation and interest rates, and, at the same time, federal impediments to the free and efficient use of resources must be reduced or eliminated.

"The end result should be an economy characterized by free and open markets giving all of its participants the opportunity to contribute to, and share in, the high and rising standard of living such a system will produce."

Administration seeks to cut guaranteed loans to small business

The Reagan administration has proposed large cuts in the Small Business Administration's (SBA) loan programs, as well as smaller across-the-board cuts in other SBA departments and personnel levels.

The administration would eliminate entirely SBA's controversial direct-loan program and cut by $500 million the agency's guaranteed-loan program. Both programs have often been the last resort for businessmen who want to start an operation but cannot get financing through traditional means.

Small Business Committees vote to restore funds. . .

In March, both the Senate and House Small Business Committees held hearings on the administration's fiscal year 1983 budget request for SBA. After the hearings, both committees voted to restore the funds cut by the administration. The Senate committee voted to restore SBA funding to the fiscal year 1982 levels, while the House committee voted an eight-percent increase in funding for SBA.

The House committee did vote, however, to eliminate the direct-loan program, but it adopted a proposal introduced by Rep. Joseph McDade (R-PA) to transfer SBA's direct lending funds to SBA's Equal Opportunity Loan and Minority Enterprise Small Business Investment Companies (MESBIC) programs.

The Senate and House Small Business Committees' recommendations on SBA funding will become part of their chamber's Budget Committee reports, which will be presented for congressional approval later this year in the form of a budget resolution. A Senate Small Business Committee aide told *NRA News* that he expects SBA's 1983 loan programs to be funded at FY 82 levels.

Templeman explains administration's position...

In hearings before the Senate and House Small Business Committees, then-acting SBA Administrator Donald R. Templeman said that the proposed cuts "should not be viewed as contrary to the best interest of the small business community." Templeman pointed to difficulties associated with establishing "acceptable" loss rates and SBA's "problem of allocation of scarce direct-loan resources among competing interests" in justifying the administration's request for cuts in the loan programs.

Speaking of the direct-loan program, he said, "In a time of budget restraint, those funds leveraged through private sector lenders could provide assistance to a far greater number of businesses, at much lesser cost in terms of the agency resources required to administer the programs. Through increased cooperation with private-sector financial institutions, we hope to still assist those businesses that have a reasonable prospect for success."

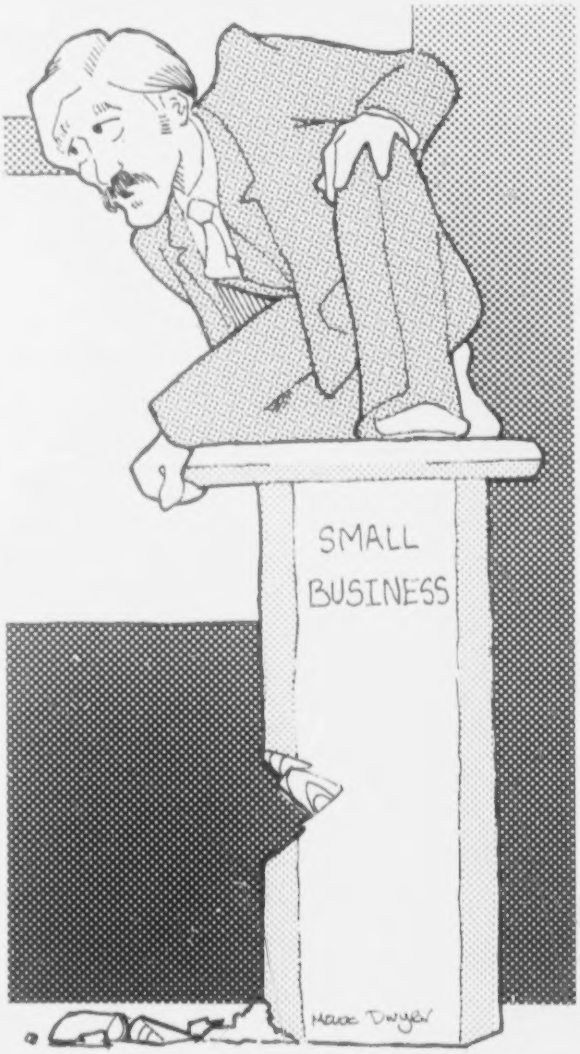
"By eliminating funding for subsidized-direct loans, and thereby eliminating another type of market intervention, SBA can turn its attention to other initiatives," Templeman said. The administration believes that by limiting federal-credit assistance, the amount of available private credit will expand, contributing to a reduction in interest and inflation rates.

Funding would be shifted to disadvantaged individuals...

Those businessmen that truly need loans will get them, according to Templeman. "Seventeen percent (approximately $410 million) of SBA's guaranteed loans in 1983 will be made available for firms owned by socially and economically-disadvantaged individuals, as compared with an average over the past five years of nine percent minority participation in the agency's guaranteed-loan programs and 12.8 percent minority participation in all the agency's loan programs — including direct and guaranteed loan programs."

Critics of the cuts include Rep. Parren Mitchell (D-MD), chairman of the House Small Business Committee and Sen. Lowell P. Weicker (R-CT), chairman of the Senate Small Business Committee. Mitchell has termed the administration's budget-cut request as "outrageous.... In these perilous economic times, one would expect the administration to provide more financial assistance. Especially it should be expected from an administration which professes to believe in job creation in the private sector." ([illegible] separate interview.)

Even Templeman noted in his testimony that, "In the final analysis, it is the success of this administration's economic policies that will allow us to address...small business priorities."



Parren Mitchell attacks SBA cuts

U.S. Rep. Parren J. Mitchell (D-MD), chairman of the House Small Business Committee, is opposed to reducing the Small Business Administration's (SBA) direct and guaranteed loan programs. (See separate story for details on SBA program.) In the following interview, he explains his views on SBA loans and other small business issues.

NRA: You said at a recent hearing that the administration's SBA budget request for fiscal year 1983 is "outrageous." Can you elaborate?

Mitchell: By eliminating the direct-loan program, which Congress implemented because it realized the difficulties small businesses have in gaining access to capital, the administration really compounds the problem for many, many small businesses. Particularly at this time, with interest rates as high as they are and with money so tight, I think it is outrageous to attempt to eliminate the direct-loan program.

Q: What about the guaranteed-loan program?

A: Last year, both the direct and guaranteed programs sustained heavy cuts. I think the cut in the direct-loan program last year was about 37 percent and in the guaranteed program about 27 percent. One would be eliminated if the administration has its desire fulfilled, and the other would be cut even further. It just doesn't make sense to me.

Q: The administration argues that SBA loans are crowding out private-sector borrowing and that eliminating SBA loans will free up private capital. What's your opinion?

A: Those SBA loans are infinitesimal when you talk about the private-sector money. The magnitude is so small that it just cannot possibly crowd out the private sector.

I think I understand what the administration's basic economic-philosophical posture is. It is that the government should not be in the business of providing housing, helping people with their education or providing loans. That is the bottom-line philosophy of the administration. And, of course, I don't take that position. I take the position that when everything else fails, then it is the duty of the government to intervene.

Q: Your committee voted to oppose these reductions in its budget report to the House Budget Committee, did it not?

A: That's right. I must say in all fairness that the whole committee realized that the administration had gone too far in the depth of the cuts that were proposed, and this was an attempt to remedy that situation a little bit. Unfortunately, as far as I'm concerned, the committee went along with ending the direct-loan program. It voted to look at a new program that was suggested by Rep. Joseph McDade (R-PA) which would take the monies from the direct-loan program and move them to the Equal Opportunity Loans and the MESBIC (Minority Enterprise Small Business Investment Companies) program. I don't think that is the answer. The Senate has left direct-loan money in its budget, so it will be interesting to see what happens when we go to conference.

Rep. Parren Mitchell (D-MD)

Q: A number of complaints have been advanced about the management of SBA's loan programs — that the loan servicing for the loans is inadequate, that there should be more management assistance and that the paperwork should be streamlined. What can be done to improve these problems?

A: Only by reducing the loan burden can you effectively monitor your loans, and yet we have people at SBA looking at more than 500 loans. There is no way in the world one person can monitor 500 loans in a portfolio. One of the first things that needs to be done is to change that set-up.

Q: The President's recently released report, State of Small Business, notes that the bankruptcy rate has increased dramatically in the last two years. What can be done about this?

A: I think that increased bankruptcies are certainly linked with high interest rates. Small businesses are being clobbered by them. You've got a situation where small businessmen normally don't have access to capital, then when they do get access to capital they've got to borrow at prime plus two. Most guys don't work on a profit margin that would allow them to afford such high rates.

Q: Will the Small Business Survival Act (H.R. 5772), you introduced, alleviate the growing problem of bankruptcies?

A: We're trying to do several things here. By providing direct loans to small businesses to assist them in remaining or becoming solvent, we'll be holding down unemployment and further increases in the deficit. That way the government won't have to pay out additional unemployment and other benefits and forego collection on income taxes. The bill would also allow the businesses receiving such loans to defer payment of principal and interest for one year or longer if necessary. The bill would authorize SBA to make up to $300 million in direct loans, with no individual loan to exceed $200,000. Now that won't solve this enormous bankruptcy problem, but it begins to help.

Charge tip responsibility may rest with employees

NRA is vigorously opposed to a provision in a recently-introduced bill that would require restaurant employers to report charge tip income to the Internal Revenue Service. The proposed legislation — the Taxpayer Compliance Act of 1982 (S. 2198) — was introduced by Sens. Robert Dole (R-KA) and Charles E. Grassley (R-IA) on March 11. Dole is chairman of the powerful Senate Finance Committee; Grassley serves as chairman of the committee's IRS oversight subcommittee.

Dole and Grassley contend that a large gap exists between the amount of taxes owed Uncle Sam and the amount that is actually collected each year. The legislation attempts to narrow that gap by instituting new reporting procedures for certain targeted groups, such as restaurant employees, who the senators feel traditionally under-report their income. They maintain that if the bill is passed, an additional $20 billion in revenue would be collected by IRS during the next three years.

NRA testifies against measure...

Shortly after the bill was introduced, Sen. Grassley held a hearing on the bill in his subcommittee. NRA's Chief Staff Officer Robert Neville appeared before the panel to protest the inclusion of the charge tip provision, joined by officials from the American Hotel & Motel Association and the Hotel Employees and Restaurant Employees International Union.

The provision would require any employer with six or more employees who pays an employee $600 or more in charge account or credit card tips in any taxable year to report those tips to the Internal Revenue Service. Withholding on these charged tips would be required, as under present law. The new rules would apply to charge tips paid to employees after Dec. 31, 1982.

Under present law, an employee who receives tips in excess of $20, in cash or its equivalent, during the course of his employment must report all such tips in a monthly statement furnished to his employer. The employer must generally take these tips, but no others, into account in determining the amount of tax to be withheld from the employee's wages. No other reporting requirements are imposed on employers with respect to tips.

Neville told the subcommittee that the new bill would "impose unreasonable record keeping and reporting burdens on employees, compel employers to violate statutory requirements to file accurate returns and only duplicate data to which IRS already has access."

Bank Card
Bank Card
Bank Card
234 5678 9089 8672

Making paperwork...

Neville noted that the majority of tipped restaurant employees participate in voluntary tip pooling or tip sharing arrangements. "The employer frequently does not know the extent or nature of these arrangements, has no desire to interfere with them and, under Department of Labor (DOL) regulations, is specifically prohibited from exercising any significant control over tip pooling.

"These employees would, under this proposal, be forced to obtain receipts from each other for each transaction to substantiate their shares of tip income. Obviously, the charge record would hardly tell the whole story about who made how much on each sale. Multiply this by one million tipped employees of eating and drinking establishments and by the estimated 600 million charge transactions in restaurants every year, and you can understand the massive new record keeping that tipped employees and their employers would have to perform."

In the past, Neville said, Congress decided that the only practical way to determine actual tip income for tax purposes was to require the tipped employee to report the amount received to his or her employer. "Even after IRS efforts in 1975 and 1976 to increase reporting and withholding requirements for charged tips, Congress reaffirmed in 1978 that employee reporting responsibilities should be limited to a declaration of tip income to the employer. Assuming that under-reporting was a problem throughout the period since 1965, it is difficult to understand why Congress should now reverse itself and add significant new record keeping burdens on employers — and employees."

Charge receipts inaccurate measure of income...

Neville also said that past experience has demonstrated that under tip pooling the charge record is an inaccurate reflection of actual tip income to a particular individual. "If you require the employer to report what is shown on the charge record, you require the employer to report for an employee a tip income amount he or she knows to be inaccurate and you also require that employer to violate the statute's command to 'render a true and accurate return,' and to ignore Code Section 7204, which provides penalties of fine and imprisonment for 'willfully furnish[ing] a false...statement' concerning income."

Neville added that the measure would create conflicts between employees and employers. "With this proposal," he said, "the employer would become a policeman, taking over from IRS an enforcement function that only IRS is capable of performing and, in so doing, creating a source of conflict and disagreement between employee and employer.

"Creating conflict, expense and paperwork for the employer might be justified if the employer was privy to special information to which the IRS was not. But, concerning tips and their ultimate distribution, the employer knows less than the employee or the IRS. And the employer is required, by Code Section 6001, to retain charge receipts and statements (of tip income) by employees, the purpose being to facilitate IRS audit. So charge tip information is already available under current law to the IRS."

To IRS's charge that less than 20 percent of all tip income is reported, Neville said, "Largely because of the complex and little-regulated practice of tipping, the employees of the foodservice industry are charged with far more than their share of the blame for underreporting. The IRS figures accompanying this bill perpetuate the belief that tipped employees are less than honest. These are 'preliminary and unpublished estimates by IRS' and are unsubstantiated by any more reliable data. Since we don't now how these figures are derived we cannot, for example, perform a similar study to substantiate or refute the IRS findings."

Compliance gap may grow through inaction...

According to Dole and Grassley, without S. 2198 the estimated compliance gap will increase from $54 billion in 1979 to an estimated $102 billion in 1985. Their proposal would reduce the compliance gap by 40 percent from 1982 to 1985 and reverse the decline in compliance rates.

The compliance gap, according to Dole, has three principal components

- individuals' unreported and underreported legal income
- corporate unreported and underreported income and
- illegal income.

IRS figures show that 84 perent of the compliance gap is attributable to underreporting of individuals' legal income. Eleven percent is due to under-reporting of illegal income and only five percent is attributable to the corporate sector.

Senate bill to get speedy consideration...

S. 2198 is on a fast track and could be considered by the full Senate very soon. It may be considered as part of the first budget resolution for fiscal year 1983 or it may be attached to a bill to increase the debt ceiling that will be considered by Congress this summer. Companion legislation (H.R. 5829) has been introduced in the House by U.S. Rep. Barber Conable (R-NY), the ranking Republican on the Ways and Means Committee.

NRA-PAC seeks soliciting permission

The NRA Political Action Committee (PAC) is gearing up for another active election year. Recently it mailed authorization forms to all NRA members, asking them to give NRA-PAC permission to solicit contributions.

"It's very important that members take the time to fill out our authorization form," said NRA-PAC Chairman Ralph Evans (Evans Farm Inn, McLean, VA). "Each year — in accordance with Federal Election Commission (FEC) laws — we must ask our members if we may solicit contributions from them and their staffs. Without this authorization, we cannot effectively communicate with our members about our political activities."

Money contributed to NRA-PAC for the 1980 elections amounted to more than $65,000. The funds were used to make contributions to 138 candidates for the U.S. Senate and House of Representatives who were supportive of NRA's views. Seventy-eight percent of these candidates were elected and, as Evans stated, "NRA-PAC is proud to believe it played a role in the outcome of these elections."

Evans likened campaign contributions to voting: "Just as one vote can make a difference in an election, so can one contribution to a campaign. A tough Senate race can easily cost over a million dollars. By contributing money to candidates who best represent the views of the restaurant industry, NRA-PAC can help them wage an effective campaign."

Evans stressed that NRA-PAC is planning a major fundraising effort to encourage more first-time contributors to the PAC. "Our goal is to get a greater number of people involved in our PAC this year, especially as small contributors. That way we can achieve a better representation of our membership and its attitudes.

"NRA-PAC pools the money of all participating members and contributes the funds in the name of the foodservice industry as a whole," Evans continued. "This allows us to contribute larger sums of money to more candidates than any one person usually can afford to do, and it means more industry identification.

"Our PAC is governed by seven trustees — all of them NRA members — that meet regularly to review and evaluate candidates and to assess their voting records."

Evans also noted that political contributions are tax deductible. "You can get a credit of up to $100 on your income tax each year," he said.

For more information on NRA-PAC, contact David Joyner, NRA-PAC manager, at NRA headquarters in Washington, DC, (800) 424-5156.

THE BOARD ROOM

NRA board members on the road, in the press and at the podium

NRA Chairman visits 44 states

As he nears the end of his term as NRA Chairman, Walter Conti has traveled 100,000 miles and visited 44 states. "The NRA presence at meetings of state and regional associations, sister associations and HR&I events is important," says Conti. "I've been able to tell NRA members all over the country what we are doing for them. More significantly, I've been able to learn what they are worried about and what they need from NRA."

Most recently, Conti gave the keynote address at the Pacific International Hospitality Convention and Exposition and then spoke to the restaurateurs in New Mexico; Toronto, Canada; Montana and Massachusetts. He offered the opening address at the International Wine and Food Expo in Washington, DC.

Director O'Neal tours foodservice facilities.

Other board members travel

Director Michael O'Neal and Past President Martin L. Horn, Jr. have also been on the road for NRA. As the association's evaluation team members for the John L. Hennessy Award, they have toured foodservice facilities at air force bases from Alaska to Turkey and California to Germany.

Each year, the air force command that is judged to have the best foodservice program receives the Hennessy Award. This year's winners will be announced shortly.

Chairman Conti on the road for NRA.

Machus reports to AH&MA Board

In his annual report to the American Hotel and Motel Association, NRA Director Harris Machus thanked the hotel-motel industry for assistance in publicizing the disastrous effects of the U.S. Department of Agriculture's proposed revision of beef grading standards.

Reporting as NRA's exchange director to the AH&MA board, Machus said, "Even a government sympathetic to business will pass laws and issue regulations which hamper our ability to function efficiently. That is why the hospitality industry must be well represented in Washington and in the state capitals. Lately, our voice has been heard loud and clear because we have spoken in unison. On behalf of NRA, I thank you for your sensitivity to our mutual concerns and pledge continuing support in those areas which involve us all."

Grisanti honors retiring state association executive Potter

On April 13, NRA Director Michael Grisanti presented a plaque on behalf of the association to Mildred Potter, retiring executive vice president of the Kentucky Restaurant Association (KRA). Speaking at a dinner in Potter's honor, Grisanti said, "Mildred has served KRA for all but one year since its founding. She can personally take much credit for its steady growth and long record of successes. NRA can't go it alone. We depend on the state associations, and Mildred Potter has helped to make the Kentucky Restaurant Association one of the most dependable."

Put human resources where it belongs: UPFRONT

At a recent foodservice get-together, a Florida restaurateur held up a sign that read, "Did you kiss your dishwasher today?" Savvy operators across the country know that foodservice staff can make or break a restaurant — whether it's with dirty or sparkling glassware or a caring or unenthusiastic attitude.

In this month's feature section, the focus is on foodservers: how to train them, motivate them and earn their loyalty. The articles cover a range of topics from among the exceptional programs in the industry.

For years the single most important thing in life for the teenagers in Dan Richard's SMART program was where to get the best and most potent supply of drugs. Today, their major concerns include the preparation of complex recipies, the careful timing of intricate souffles and the steady hand required to cut a basket out of an orange or a rose out of a tomato. Why the change in priorities? First, these teenagers spent time in Discovery House, a residential treatment center in Marlboro, NJ, where they successfully kicked their drug habits. Second, Dan Richard, founder and coordinator of SMART (Sites Made Available for Restaurant Training), a vocational rehabilitation program that trains participants to become familiar with all facets of the foodservice industry, especially cooking, was willing to give them a chance to learn a skill and possibly build a future.

Richard, owner of the Chain Lane, a mini-mall consisting of a number of restaurants and speciality food shops in Beach Haven, NJ, wanted to make use of his summer resort facility during the off season. His idea was to turn the facility into a training ground for the foodservice industry — training for individuals who characteristically had trouble finding and keeping jobs.

"The reason for this made obvious sense. Everything we needed for the training was already there and not being used," said Richard. "Further, I believe, that the foodservice industry can provide unlimited opportunities for advancement to qualified individuals seeking a permanent career."

A friend involved in the drug treatment field suggested that Richard work with former drug abusers. He made contacts within the state of New Jersey and attempted to get the program started. Initially he encountered skepticism from state officials because of the high failure rate of such programs in the past.

However, Richard was persistent and finally got the state to agree to pay for the food necessary for instructions and student luncheons, as well as utility costs, the in-house chef's salary, transportation costs and the actual cost of operating the building. In all, a total of $19,000.

The next step was to find individuals who could use the training. That was not difficult. Discovery House, a residential drug rehabilitation program committed to vocational education and job placement, agreed to participate in the program.

How the program works. . .

In March 1981, Dan Richard's innovative concept began to unfold. The students attend classes five days a week from 10:00 a.m. to 3:00 p.m. for three months. They are taught by experienced visiting chefs everything from making basic sauces to the preparation of such elaborate dishes as chauteaubriand, Coquille St. Jacques and vichyssoise. The students also learn how to prepare decorative pastry items and salads, as well as ethnic speciality foods.

"We accomplish in three months what a formal culinary arts program teaches in two years," says Richard. "The students are eager and willing to learn, but, they do not have the patience to sit through a long drawn out process."

The SMART program gets the students involved from the first day. They are taken on a tour of the Chain Lane facility, given aprons and chef hats and instructed on the various aspects of kitchen safety and equipment maintenance. NRA material on job titles and descriptions is also given to each student so they can familiarize themselves with the many career opportunities within the foodservice industry.

By the second day, the students get hands-on experience from the in-house chef. They learn how to prepare soup stock and produce four major stocks for soups and sauces. The program relies not only on the in-house chef but also on many local restaurateurs who volunteer their time and expertise to the project. As a result, the level of instruction is sophisticated and broad. The students are extremely responsive.

"The key to success with this type of instruction is to hold the students' interest while expanding their knowledge and building their confidence," said Richard. "The students must be motivated to attend classes and successfully complete the program." Richard is quick to point out that he has had very few unexcused absenses.

For the majority of students that fact is quite remarkable. Many suffer from low self-esteem and doubt their own abilities. As a result, attendance and punctuality are highly stressed in Richard's program. The lack of either or both qualities is the main reason why most former drug abusers find it difficult to succeed in the job market.

The SMART program helps the students look outward, rather than dwell on their own insecurities by involving them in community activities, such as preparing food for senior citizens, serving hot soup to marchers in a Christmas parade and serving lunch to retarded citizens two days a week in the SMART cooking school dining room.

"Our class realized that despite their own handicaps and obstacles they have to overcome — here were people with real problems," said Richard. "They attained a sense of pride in what they prepared and how they served someone less fortunate than themselves."

Praise from master chefs. . .

Dan Richard has found that job placement for the graduates is not difficult. Every student who graduated in December 1981 was successfully placed in such Atlantic City, NJ hotels as the Golden Nugget, the Tropicana, Ballys, Resorts International and the Sands. The Marriott Corporation and other foodservice personnel have been particularly receptive to graduates of the SMART program.

"The skills the students learn at the school help to overcome any possible prejudice on the part of the employer as to their drug-related background. The chefs know we are bringing them trained personnel who are looking for a future, not just a job," said Richard.

Gustave Mauler, executive chef at the Golden Nugget Hotel and a member of the U.S. Culinary Olympic team, hired three graduates of the program. "They are extremely enthusiastic and hard working," he said. "A quality that I rarely see in today's employees."

Vladimir Reitmaier, executive chef at the Tropicana Hotel also had words of praise: "Everyone needs a second chance. These individuals are very dedicated, they have a great attitude and take their job seriously. I will definitely hire other graduates from SMART."

National expansion. . .

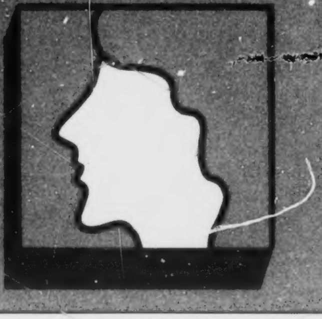
For now, SMART operates out of the state of New Jersey, but Dan Richard sees the expansion of this type of rehabilitation program in the near future. "It's so simple, and it works," he said. "Many restaurants are idle for part of the day — some facilities do not serve lunch, some do not serve dinner. These kitchens would be the ideal training grounds for student instruction," he said. If Richard's program is any measure, he certainly does have the recipe for success.

SMART student serves soup to New Jersey state officials.

No dish leaves the SMART kitchens without a critical review.

Earning employee loyalty

Industry studies report that employee turnover is taking a large bite out of the restaurateur's profits. To replace a unit manager can cost as much as $125,000; to recruit an hourly employee can come to $1,000. Retaining good employees, therefore, is becoming an increasingly important function for foodservice managers. This article discusses two restaurant programs that are particularly effective in making their employees feel appreciated. The payoff for the restaurants has been a cadre of loyal employees who have been with the restaurants for years.



There are really only two things that are absolutely necessary to operate a foodservice establishment: One is food; the other is foodservers. Food can be bought; not so good foodservers.

Far too often restaurateurs concentrate on the customers' needs and forget their own workers. It's unrealistic to expect one's waiters and waitresses to bubble over with friendliness and good cheer if they are unhappy about their jobs.

Many restaurant operators are working hard to restore dignity and pride to the people who make their business possible. Some operators are trying to boost employee morale by making foodservers feel more a part of their business through such programs as profit sharing and comprehensive training. Others are trying to accommodate individual worker needs by more flexible scheduling, while still others show their appreciation for long service by some tangible item, such as an appreciation pin.

Two restaurant operators who have been particularly sensitive to the needs of their workers and who have developed model programs for building employee loyalty are Bill's Barbecue, Inc., of Richmond, Virginia, and The Angus Barn of Raleigh, North Carolina.

I. Bill's Barbecue, Inc. Richmond, Virginia

Bill's Barbecue is a family-owned business of six restaurants in Richmond, with a total of 185 employees. The first Bill's Barbecue opened in 1930, and some of today's employees date back to 1937 (45 years). Such longevity speaks volumes about the managerial crew at Bill's. "We appreciate our people and know that we can't get the job done by ourselves. We show them our appreciation by our various employee benefits, insurance programs and profit sharing plan but also by very simply just taking an interest in their lives, in their families, in their kids," says President Steve Richardson.

Start the first day on a positive note...

From their first day on the job, new workers are made to feel at home at Bill's. They are brought to Dianne Glascock, coordinator of personnel orientation and training, who not only reviews the job and basic restaurant rules and regulations but also discusses customer service and the importance of teamwork. "We understand that half the information they hear that first day will be forgotten because they are too nervous to concentrate," says Glascock. "What we're trying to establish is a feeling of their knowing someone on a one-to-one basis that they can go to if they have a problem."

Once they get their bearings, the training program begins. According to Glascock, the program works like a honeymoon. New employees are "married" to trainers and do nothing alone during the first two or three days. They don't take an order, make a drink, ring a sale or write a ticket unless the trainer is right beside them. "This system helps alleviate the negativism of the first week of employment by eliminating mistakes. New workers don't feel lost, frustrated or unsure of themselves. The program supplies a sense of confidence and teaches the proper method of handling things right from the beginning," explains Glascock.

Manuals outline specific duties...

To reinforce on-the-job training, new workers are given a company policy manual and a specific manual for their jobs. There are separate guides, for example, for counter, curb and kitchen employees. These handbooks discuss duties and responsibilities in detail, providing checklists and hints that can run the gamut from handling money to coffee making.

After new workers have been with Bill's for at least one month, managers begin periodic testing to help pinpoint problem areas that may need special attention. For example, if a worker has trouble with ticket writing, role-playing is used to help the employee practice writing orders. If making change poses difficulties, a trainer and worker may spend two or three hours playing with money until the worker gets the hang of how to make change.

According to Glascock, the extra effort this takes is well worth it: "When we hire a person, it's because we feel he is right for the job. If problems emerge, we work with the employee to solve the problem — we don't give up on him."

After new employees have been at Bill's for several weeks and have become comfortable in their new jobs, the second part of the orientation program begins. It consists of two-and-a-half hours in a classroom situation where workers learn about the company history, philosophy and structure through presentations, slides and filmstrips. Workers also learn basic economic principles and the importance of good food, good service and sanitation.

According to Glascock, this part of orientation is instrumental for instilling a sense of pride in the restaurant. It also helps foodservers answer questions customers might ask.

Bill's Barbecue doesn't stop with training and orientation to make workers feel they are important. For example, members of the night crew who don't drive need not depend on Richmond's irregular bus schedule or expensive cab rides. Instead, Bill's managers use the restaurants' three vans and half dozen jeeps to drive workers home at night and to pick them up in bad weather.

Continuous service rewarded...

Bill's also rewards continuous service. For years the restaurants presented five, 10, 15, 20 and 25-year pins. Recently they found they needed 30, 35 and 40-year pins and, to encourage newer employees, Bill's has also added one and three-year pins.

President Steve Richardson likes to make the presentations himself. He feels this underscores the pins' importance. But on those rare occasions when Richardson cannot preside himself, he appoints long-term Vice President Michael Gooding.

To honor workers who have been on the job 25 years or more, Bill's throws a party while the worker is on duty. Family members are invited to attend, flowers are ordered, and the guest of honor cuts a special cake and hands out pieces to customers. Personnel coordinator Dianne Glascock takes pictures for the company scrapbook and makes additional souvenir copies for the employee.

Is this expensive? "A cake's not that expensive," says Glascock. "And a few flashbulbs don't cost that much for the amount of goodwill created. The parties give the workers a feeling that they are special. And they are special. We wouldn't be here without them."

II. The Angus Barn
Raleigh, North Carolina

Mel Simpson, manager of the Angus Barn in Raleigh, adheres to many of the same operational techniques as the management at Bill's. Simpson also stresses the importance of a good beginning. "We bring the workers in and tell them the rules of the game and what to expect. We tell them the drawbacks of the job as well as the good points. We believe in being totally upfront and not selling a bill of goods to get them on the payroll.

"Once they are with us, we don't forget about them," adds Simpson. Like Bill's, The Angus Barn has a well-structured training program where employees are supervised closely during their first few weeks and taken through their duties step by step. The trainers are well-qualified instructors ("schoolteacher calibre" says Simpson) called captains. They are salaried employees who get a percentage of sales in lieu of tips.

In addition to on-the-job training, Angus Barn employees attend weekly Saturday meetings where mistakes of the week before are reviewed and difficult tasks are taught by repetition. Training sessions supplement the meetings and feature motivational tapes. One of these tapes is on hospitality and teaches the foodservers to be proud of what they are doing. Another helps build a positive self-image, which Simpson believes is vital to doing a good job in any area.

An example of the Angus Barn's sensitivity to its 143 employees is reflected in its flexible scheduling: Schedules are changed to reflect workers' needs. If someone needs a day off, he can put his name on a request sheet, which is worked into the master schedule on a regular basis. Also, Angus Barn employees work on standby so that workers with emergencies or last-minute schedule changes find replacements easily.

Since the Angus Barn is not open for lunch, the managers occasionally take a group of 10 employees out to lunch at another local restaurant. Each employee comes from a different category so that the group will have a waitress, a bus boy, a janitor, a secretary, a dishwasher, a chef and so forth. The main purpose of these lunches is to foster employee interaction, and the conversation is not necessarily work-related. "The people look forward to these lunches, and it's amazing how it adds to the spirit of team effort and reduces or eliminates friction," explains Simpson.

Like Bill's Barbecue, the Angus Barn also rewards its workers with pins of appreciation for service of two, five, 10 and 15 years. At 10 years, they receive a watch and at 15 years a silver service.

Only four years after it opened in 1960, the Angus Barn burned down. Some of the workers were kept on to help with the reconstruction. Others were placed in temporary jobs in various local restaurants. When the restaurant reopened 11 months later, everyone came back; and some members of the original team are still there today. Because of that early disaster, Angus Barn now carries interruption insurance to protect all key personnel and to guarantee a regular salary in the event of another crisis. This program is typical of management's concern for its workers.

Turned-on employees...

Because both the Angus Barn and Bill's Barbecue are genuinely concerned for the welfare of their workers, they have a dedicated staff, many of whom have been with the companies for decades. The following comments are typical of the loyal feelings these workers feel.

Richard Henderson: "Thirty-four years ago, I started as a sandwich maker in the kitchen at Bill's, now I am commisary manager. They have a program of teaching people that's excellent. Several of my children have worked here. It was a wonderful feeling on my 30th anniversary party with my wife and family here. I was so nervous I almost could not cut the cake. It means a lot to know that the boss cares if I am here or not."

Peggy Cogan: I have been a waitress here for 12 years. I like meeting people. I like serving people. And I love working in the Angus Barn. It is the nicest place in North Carolina."

Betty Shugart: "I have been with the Angus Barn for 18 years. Now I am a captain in the dining room. It is like one happy family here. The bosses are very easy to talk to. There is a not a lot of turnover here so it is not like you get used to working with someone and before you know it they leave. No one wants to quit the Angus Barn."

Foodservice industry turns to untapped labor force

Given the same education, the same background and the same experience, two people may be equally qualified for a job, and it would be difficult for an employer to decide between the two. That is unless one of the applicants is physically or mentally handicapped. In the past, a handicap has made the answer simple. Stereotypes and misconceptions about the handicapped have precluded their chances to compete for a job.

The foodservice industry, along with other sectors of the business community, are rapidly changing this stereotype. Experience is showing that handicapped workers are often more loyal, dedicated and hardworking than the average employee. "In an industry as employee intensive as foodservice, loyalty which often breeds longevity, is an important consideration," explained Walter Ashcraft, NRA director of human resources. "Foodservice employers are enthusiastically experimenting with a wide range of programs dedicated to increasing handicapped employment in the industry. Programs are well received and results are encouraging," states Ashcraft.

Projects With Industry (PWI), a program to increase foodservice participation in handicapped employee career training, was developed by the National Restaurant Association in conjunction with the Rehabilitation Services Administration — an agency of the U.S. Department of Education. The basic aim of PWI is to provide quality employees for America's foodservice industry by arranging contacts between rehabilitation agencies and the foodservice industry.

Support for the program has come from a wide variety of groups across the country including, Goodwill Industries of America, the Council of State Administrators of Vocational Rehabilitation, the Department of Education, the National Institute of Mental Health, as well as many other public and private enterprises.

"The project is two fold," explains Ashcraft. "Handicapped individuals must be trained and made vocationally independent, and stereotypes about the capacity of handicapped employees must be overcome. Frequently, the latter is the more difficult to deal with. However, employers who hire the handicapped quickly perceive that workers' dedication is more of an asset than their disabilities."

Foodservice employers who don't know how to go about hiring or training the handicapped, should contact NRA's Project With Industry program through Walter Ashcraft. PWI is designed to help employers contact local and state groups involved in rehabilitation efforts.

Accounts of success stories beneficial to both the employees and employers are too extensive to explore fairly in the format of the *NRA News.* Contact the NRA human resources department for case histories of handicapped employees in foodservice.

In 1981, NRA received feedback from over 1,400 members concerning the hiring of the physically and mentally impaired. The results reveal that employing handicapped individuals is widespread in the foodservice industry.

- 48 percent of the respondents reported they had employed the mentally retarded; 46 percent had employed physically handicapped workers.
- 29 percent had employed mentally or emotionally restored workers.

Focusing on the mentally restored, the survey revealed that

- Most respondents have mentally restored workers employed in the sanitation and food preparation areas.
- Mentally restored workers are described as better than their co-workers in terms of attendance.
- The majority of respondents indicate that quality of work, job tenure and motivation to work of mentally-restored workers is at least equal to their co-workers.
- The accident rate among handicapped employees is lower than the rate for the average employee.
- Contrary to general belief, disabled workers have no effect on insurance costs.
- Handicapped workers are generally accepted by customers and co-workers.

MENU GREATS

There's no one element that makes a menu great. In fact, it's much easier to list what you shouldn't do than what you should do when creating a menu.

The more than 1,100 menus entered in the Great Menu Contest were judged on originality, readability, marketing force and attractiveness. Judges quickly realized that each quality, although easy to achieve on its own, was difficult to achieve when combined with the others.

If a menu was attractive and original, often it was too original for easy reading. If it was readable, it frequently sacrificed attractiveness and originality.

All this to say, it's difficult to design a great menu, but this year's competition was tough. Operators are finding ways of getting around traditional problems and designing the best menus we've ever seen.

The Great Menu Contest has been largely responsible for increasing the awareness in the industry of the importance of menu presentation. Winners of the competition in the past years have given other restaurant operators many ideas.

The top three winners in each of the 21 categories of the 19th annual Great Menu Contest are listed below. They will be displayed at the NRA Show in Chicago.

AMERICAN — UNDER $10

1. New Haven Restaurant
   New Haven, CT
2. Todd's/McFaddin Affiliates
   Houston, TX
3. Great Godfrey Daniels
   Skokie, IL

AMERICAN — $10 AND OVER

1. The Old Original Bookbinder's
   Restaurant
   Philadelphia, PA
2. Americus/
   Sheraton Washington Hotel
   Washington, DC
3. Brock Hotel Corporation
   Topeka, KS

CONTINENTAL

1. Winter Palace
   The Sheraton Centre of Toronto
   Toronto, Ontario
2. Escoffier Room
   Culinary Institute of America
   Hyde Park, NY
3. Camelot, Inc.
   Bloomington, MN

ETHNIC

1. Monterey House
   Houston, TX
2. Odine/Stouffer Hotel Corporation
   Itasca, IL
3. Marliave Restaurant, Inc.
   Boston, MA

HOTEL

1. The American Harvest Restaurant
   Vista International Hotel
   New York, NY
2. Coppermill Restaurant/Stouffers
   Philadelphia, PA
3. Compass Rose/Westin St. Francis
   San Francisco, CA

FAMILY RESTAURANT/ COFFEE SHOP

1. Guggy's Grill
   Phoenix, AZ
2. The Wild Primrose
   Holiday Inns, Inc.
   Memphis, TN
3. Zim's Restaurants, Inc.
   San Francisco, CA

FAST SERVICE

1. The Mad Italian, Inc.
   Atlanta, GA
2. Noble Roman's Pizza
   Bloomington, IN
3. Sundancer Restaurant
   Kiawah Island Co.
   Charleston, SC

CARRY OUT

1. The Healthy Food Place
   Los Angeles, CA
2. Sandwich Salon
   Altoona, PA
3. Jonah's/Sundancer Restaurants
   Charleston, SC

UNIVERSITY

1. Union Club
   University of Arizona
   Tucson, AZ

See them at the NRA Show

2. Ohio State University Restaurant and Dining Hall
   Columbus, OH
3. Valparaiso University Dining Service
   Valparaiso, IN

HRI STUDENT PROJECT

1. Montgomery County Community College
   Blue Bell, PA
2. Ferris State College
   Big Rapids, MI
3. Rochester Institute of Technology
   School of Food, Hotel & Tourism Management
   Rochester, NY

OTHER (CATERING)

1. M. W. Wood Enterprises
   Allentown, PA

HOSPITALS

1. Jewish Hospital of Cincinnati
   Cincinnati, OH
2. Connecticut Hospice, Inc.
   Branford, CT
3. St. Joseph's Hospital East and West
   Mt. Clemens, MI

MILITARY CLUBS

1. Griffiss Air Force Base
   Rome, NY
2. RAF/NCO Open Mess
   APO, NY
3. Skyview Terrace NCO Club
   Honolulu, HI

SPECIAL OCCASIONS

1. Tempo's
   Nashville, TN
2. Yesterday's
   Ft. Lauderdale, FL
3. Hilton International
   Brussels, Belgium

DESSERT MENU

1. Noga Hilton International Geneva
   Geneva, Switzerland
2. Pegasus Restaurant
   Robbinsville, NJ
3. J. P. Daniels
   Old Mystic, CT

CHILDREN'S MENU

1. Jerry's Restaurants
   Lexington, KY
2. Holiday Inns, Inc.
   Memphis, TN
3. Kiawah Island Co.
   Charleston, SC

WINE MENU

1. Pegasus Restaurant
   Robbinsville, NJ
2. Winter Palace
   The Sheraton Centre of Toronto
   Toronto, Ontario
3. Admiralty Restaurant
   Jacksonville, FL

SPECIALTY DRINKS

1. Hilton International
   Sydney, Australia
2. Jesse's, Inc.
   Hanover, NH
3. The Pirates' House
   Savannah, GA

ROOM SERVICE

1. Brock Hotel Corporation
   Topeka, KS
2. Sheraton Plaza
   Palm Springs, CA
3. Hilton International
   Milan, Italy

BANQUET/CATERING

1. Bally's Park Place Casino Hotel
   Atlantic City, NJ
2. Alameda Plaza Hotel
   Kansas City, MS
3. United States Army/
   Fort Myer Officers' Club
   Fort Myer, VA

SPECIAL SERVICES

1. Winegardner & Hammons, Inc.
   (Senior Citizen Menu)
   Cincinnati, OH
2. The Lion Dog Lounge
   The Sheraton Centre of Toronto
   (Cocktail Lounge)
   Toronto, Ontario
3. Jonah's Last Straw
   Kiawah Island Co.
   (Bar Sandwich Board)
   Charleston, SC

Serving on the panel were Joan Bakos, editor, *Restaurant Business,* New York City; Mark Barnett, a restaurant and food writer whose articles frequently appear in the *Washington Post;* Audrey Garvey, creative director, *Restaurants and Institutions,* Chicago; Carlton Jones, restaurant reviewer, *Baltimore Sun:* Raylene Kershaw, art director, Great, Inc., Washington, DC; and Maryann Kibarian, president, Culinary School of Washington, DC.

THE LAW

Administration to support extension for TJTC

Last summer, NRA lobbying efforts paid off in a one-year extension of the Targeted Jobs Tax Credit (TJTC). The victory came despite the administration's opposition to the extension. Major changes were made in the certification process, however, and limitations were placed on the use of cooperative-education students under the program.

This summer, the administration appears ready to support a further extension of the credit, and several members of Congress have introduced bills to solve some of the problems arising from last year's changes and to expand use of the credit.

Administration announces proposal to extend TJTC...

Labor Secretary Raymond Donovan told a joint congressional hearing on the Comprehensive Employment Training Act (CETA) that the administration now favors extension of the Targeted Jobs Tax Credit program. Donovan told the congressional panel: "We believe that this more positive atmosphere for a partnership with the private sector will result in many more of the disadvantaged being moved into productive private-sector jobs." Donovan did not give any details about the administration's proposal. The secretary's comments mark a change from the strong campaign the White House mounted in 1981 to let the TJTC expire. Without another extension, the TJTC will expire at the end of this year. The administration's change of position may help foodservice-industry efforts to obtain a multiyear extension of the program.

Modifications introduced in Congress...

In addition, two bills have recently been introduced that attempt to clear up some of the problems employers have had with the Targeted Jobs Tax Credit. Rep. Toby Roth (R-WI) introduced H.R. 5479, a bill that would amend the provisions of the Economic Recovery Act of 1981 which require targeted jobs certification requests to be in writing. The Roth bill would treat documented oral certification requests received within 45 days after the date of enactment of the Economic Recovery Act as written requests. The bill corrects some misunderstandings between employers and local job service offices regarding certification requests that occurred after changes were made.

Rep. Arlen Erdahl (R-MN) has introduced H.R. 5146, which would extend TJTC to 14 and 15 year-old students participating in the Work Experience/Career Exploration Program. The law now states that these participants must be aged 16-20. The Erdahl bill would also restore the TJTC to include employers of all cooperative-education students regardless of their economic status. Last year's Economic Recovery Act required that co-op students be economically disadvantaged in order for them to qualify for TJTC certification.

Finally, Rep. William Goodling (R-PA) has introduced a bill H.R. 5389 (See April *NRA News*.) to allow employers an 85-percent tax credit for hiring economically-disadvantaged youths during the coming summer months. Cosponsors are Reps. Augustus Hawkins (D-CA) and James Jeffords (R-VT). A companion bill (S. 2229) has been introduced by Sen. Charles Grassley (R-IA).

Q's and A's on the TJTC

What is the Targeted Jobs Tax Credit?

- a tax break to employers who hire people who normally have trouble finding jobs

Who can take advantage of the tax credit?

- all private employers in a trade or business

How is an employer eligible for the tax credit?

- by hiring individuals from one of the nine targeted groups

What are the "targeted groups?"

- handicapped persons referred from vocational rehabilitation programs or the Veterans Administration
- young people, 18 through 24, who are members of economically-disadvantaged familes
- recipients of Supplemental Security Income (SSI)
- Vietnam-era veterans who are economically disadvantaged
- persons who have received general assistance for 30 or more days
- youths, 16 through 19, participating in cooperative-education programs, and who are members of economically-disadvantaged families
- ex-offenders (felons) who are economically disadvantaged and who are hired within five years after conviction or prison release
- recipients of Aid to Families with Dependent Children and registrants for the Work Incentive Program (WIN) program (which is now terminated)
- involuntarily terminated Comprehensive Employment Training Act (CETA) employees

How much is the tax credit?

- fifty percent of the first $6,000 in wages paid during the first year of employment (maximum credit of $3,000 per employee) and 25 percent of the first $6,000 in wages paid during the second year of employment (maximum credit of $1,500 per employee)

State leaders respond to Reagan's New Federalism plan

Recently, the National Governor's Conference convened in Washington, DC, to discuss, among other issues, President Reagan's New Federalism proposal. Basically, this concept is designed to transfer the responsibility of many federal programs from Washington to the states.

Since it appears that there will be intensified regulatory and legislative activity in the state capitals — much of this affecting the foodservice industry — NRA met with Bernard Chabel, editor, National Governor's Conference, to learn of the mood of state governors as they face President Reagan's New Federalism.

STATE DEPARTMENT

NRA: How would you define President Reagan's New Federalism program?

Chabel: The President's program is an effort to return both decision-making responsibility and program responsibility to the state and local levels.

As the President himself defines it, it's having the decisions about programs and expenditures of public funds made closer to the level where people have the most direct voice in electing officials — that is, the state and local levels.

Q: Recently, governors throughout the United States met in Washington, DC. How did they view the New Federalism proposal?

A: First, the governors have been calling for a sorting out of governmental responsibilities for a number of years. What we have been saying is that we should look at the programs and see which level of government can most properly and most efficiently administer each service.

In some cases, that would be the federal government, and in some cases, that would be state and local governments.

On a philosophical basis, the governors agree with the return of a number of programs to the state and local levels. They have problems with some of the programs the President has called for, primarily welfare and AFDC (Aid to Families with Dependent Children), which the governors think should be a national responsibility.

They also have some problems with the original proposals on fiscal capacity. The President's original proposal, according to the governors, did not recognize that different states have different capacities to fund programs and raise revenues to pay for programs.

Q: What are the governors proposing to President Reagan?

A: Our counter proposal includes two big components in the President's federalism initiative. One would be federal assumption of all Medicaid costs, in return for which the states assume all the costs of AFDC and food stamps.

And the second would be the return of some 40 federal programs to the states with the establishment of a giant trust fund composed half of revenues from windfall profits tax and half of federal excise tax revenues to fund these 40 programs. Now, the governors support the federal takeover of Medicaid. However, the state assumption of AFDC and food stamps goes against our longstanding policy that these should be national programs because it's primarily national economic policy to determine the level of need.

So what we are saying is let's have the federal government take over Medicaid, in exchange for which the states will take over a negotiated set of federal programs and defer the consideration of the AFDC and the food stamp swap until some later date.

Q: Is the New Federalism simply a method to turn costly federal programs over to the state to solve the federal budget crunch?

A: There certainly is that fear. We think that the President is genuinely committed to sorting out and reshuffling of government responsibilities within his administration. That is not to say that this probably is not an excellent opportunity – philosophy aside – to turn over to the states very unpopular programs.

Q: What do the governors say is the relationship between the New Federalism and the current economic downturn?

A: It's a curious relationship. I think the governors have been saying for a number of years that every level of government is trying to do everything. The result is a system that is overly complex and overly expensive.

A good example that is often cited is that federal government should not be concerning itself with filling potholes when it should be considering more important national issues. I think there has been this proliferation of small issues and small programs with attendant federal red tape that has driven up the cost of government services and has diverted the federal government into areas where it should not concentrate to the disadvantage of other areas, such as setting national economic policy, job training and the like. Perhaps a more streamlined federal government and a more streamlined federal role would alleviate the situation to the same degree that it has exacerbated the current problems.

If you could dine at any restaurant,
in any city,
anywhere in the United States —
you would be living with the restaurateur's dream.

NRA will be proud to make it all come true for
the lucky winner!

The National Restaurant Association is offering one of the most exciting new benefits ever for its members!

Taste the U.S.A. Raffle for NRA Members*

A restaurateur's dream trip:
Visit the restaurant capitals
of the U.S.A.
— 5 fantastic cities,
10 exciting nights
New York
New Orleans
Boston
Chicago
San Francisco

The accommodations and
airfare are provided by
Hyatt Hotels and TWA.

*This member-only contest
can only be entered by
filling out an entry card at
NRA booth #1104 at
the Show.

FOOD SERVICE TRENDS

Customers rate restaurant service very high

Food quality and good service are the most important criteria when customers select a restaurant. According to the results of a recent NRA consumer survey to be published in June, three-fourths of the restaurant patrons reported that friendly service was an important consideration when choosing a place to eat — second only to food quality. Atmosphere and location, although important, ranked further down the list.

Since service is such an important part of the dining experience, responses to an NRA-commissioned Gallup survey will be of interest to operators. Individuals interviewed for the Gallup *Monitor of Eating Away from Home,** who had eaten out on the previous day were asked, "Using a scale of one to 10, where 10 represents excellent service and one represents very poor service, and the numbers in between represent varying degrees of satisfaction — where on the scale would you rate the service you received?"

Overall, restaurant patrons are very satisfied with the service they receive when dining out. In one out of four meals, the service was rated as "excellent," while two out of four meals were considered "good." In comparison, service was rated "poor" or "very poor" at only 3.2 percent of the meals.

Women and older adults rate service highly. . .

A demographic analysis of the data reveals that women are more inclined than men to rate service received in restaurants as excellent. Thirty-one percent of the female respondents indicated that the service they received during their last restaurant meal was excellent, versus only 18.9 percent of the male respondents. However, 56.9 percent of the men said the service was good, while the corresponding proportion for women was 43.9 percent.

Service rating by sex

Service ratings	total respondents	men	women
Excellent	24.1%	18.9%	30.6%
Good	51.1	56.9	43.9
Fair	20.5	19.7	21.6
Poor	2.4	3.0	1.6
Very poor	0.8	1.0	0.5

Older people rated the service during their last meal out higher than younger individuals. Forty-three percent of the respondents age 50 to 64 and 48.6 percent of those 65 and over rated the service they received as excellent. In comparison, only 10.3 percent of the individuals 18 to 24 years old and 21.9 percent of the 25 to 34 age group indicated that the service they received was excellent. These younger patrons were more inclined to rate the service as good or "fair."

Service rating by age

Service rating	18-24	25-34	35-49	50-64	65 and and over
Excellent	10.3%	21.9%	16.2%	43.1%	48.6%
Good	51.0	57.5	55.5	43.8	40.1
Fair	34.6	18.1	23.5	8.2	5.7
Poor	2.0	2.2	3.9	3.8	—
Very poor	2.1	—	0.4	—	2.9

Upper income households generally rate the service they receive at restaurants as good. Fifty-eight percent of those from households with incomes of $30,000 and over indicated that the service they received at their last restaurant meal was good. About two out of 10 of these upper income household members said the service was excellent. Although lower and moderate income individuals viewed the service at restaurants in a favorable manner, a relatively large proportion rated it as poor. Five percent of the individuals from households earning between $15,000 and $19,999, and 3.9 percent of those from households earning under $15,000 reported that the service they received at their last meal out was poor or very poor.

**The Gallup* Monitor of Eating Away From Home *is conducted on a monthly basis to chart trends in eating out behavior for the U.S. population. Telephone interviews are conducted with approximately 1,000 adults 18 years of age and older. Respondents are asked to report on all meals eaten at a restaurant, fast food establishment or any other place where food was purchased, such as a lunchroom or cafeteria at work or school on the previous day. Specifically, individuals are to report on which meal occasion they ate out, the type of restaurant visited and on which day of the week the visit occurred. The interviewing for NRA's service-related question took place between Feb. 26 and Mar. 14, 1982. Respondents were asked to rate the service using a scale of one to ten for all meals eaten out on the previous day.*

Service rating by household income

Service rating	$30,000 and over	$20,000-$29,999	$15,000-$19,000	under $15,000
Excellent	20.7%	22.2%	21.8%	25.9%
Good	58.2	50.5	57.7	46.6%
Fair	15.8	25.4	15.4	23.0
Poor	2.4	1.8	3.8	2.3
Very poor	0.5	—	1.3	1.6

Infrequent patrons view service more favorably. . .

Individuals who eat out less than once a week are more inclined to view restaurant service as excellent, while people who eat out at least once a week view it as good or fair. Nearly four out of 10 of those individuals who do not eat out at least once a week reported that the service they received at their last meal was excellent, compared to less than one-fourth for those who dine out on a more frequent basis. Over half of the people who eat out at restaurants four or more times each week said the service was good and two out of 10 said it was fair. These frequent restaurant patrons may have higher expectations of service than do infrequent restaurant patrons.

Service rating by number of times individuals eat out each week.

Service rating	none*	one	two or three	four and over
Excellent	38.5%	23.5%	24.5%	23.6%
Good	42.3	49.5	48.6	53.6%
Fair	7.7	22.9	21.3	20.1
Poor	3.8	3.0	1.9	2.4
Very poor	—	—	2.2	—

***This group represents infrequent restaurant patrons.**

Patrons more critical of weekend service. . .

Analysis of this data by day of the week reveals that people find weekend service at restaurants to be somewhat lacking. Twenty percent of those who visited a restaurant on a weekend said they received excellent service, and 48.6 percent said they received good service. The corresponding proportions for weekday patrons were significantly higher, 25.5 percent and 51.9 percent, respectively. On the other hand, 26.6 percent of the weekend patrons rated the service as fair, compared to 18.6 percent for weekday patrons.

Service rating for weekdays versus weekends.

Service rating	weekday	weekend
Excellent	25.5%	19.6%
Good	1.9	48.6
Fair	18.6	26.6
Poor	2.2	2.8
Very poor	0.7	0.9

Patrons more likely to receive excellent service at family restaurants. . .

An examination of the service received based on the type of restaurant patronized reveals the service at family-type establishments is more likely to be rated excellent. Twenty-eight percent of the family-restaurant customers said they received excellent service, versus 20.9 percent for fast food customers and 21.4 percent for adult-oriented restaurants. Nearly six out of 10 respondents whose last meal was at an adult-oriented restaurant rated the service good compared to about half of those who visited either a family or fast food restaurant.

Rating of service at all meals nearly equal. . .

Few differences can be seen in the rating of the service received based on the specific meal eaten out — breakfast, lunch or dinner. One out of four of those who ate out for dinner reported the service was excellent, while about as many rated the service excellent at lunch and breakfast.

Breakfast received the largest proportion of good ratings, with 59.7 percent. The respective ratings for lunch and dinner were 48.2 percent and 53.3 percent.

Breakfast and lunch patrons are more likely to be critical of the service they receive at restaurants. A relatively large proportion of breakfast customers (4.6 percent) and lunch customers (3.9 percent) indicated that the service was poor or very poor. These patrons may be under tighter time constraints than dinner patrons and have higher service expectations.

Service rating by restaurant type

Service rating	family type	fast food	cafe-teria	adult oriented
Excellent	28.4%	20.9%	20.0%	21.4%
Good	51.6	30.8	50.0	58.0
Fair	14.4	24.8	25.6	20.5
Poor	3.6	0.8	3.3	—
Very poor	1.5	0.8	—	—

Economic conditions affect eating out habits

Current economic conditions are affecting consumers' eating out habits. Nearly three-fourths of the respondents in a recent survey* say that current economic conditions have affected their decision on which restaurants they visit. The recession, coupled with rising unemployment and declining consumer confidence in the marketplace, is having an impact on restaurant patrons' decision-making process.

Economic conditions have affected where I eat.

Strongly agree	**28.6%**
Agree	**43.2**
Disagree	**22.8**
Strongly disagree	**3.6**
No opinion/don't know	**1.7**

When asked their level of agreement with the statement, "Today's economic conditions have affected which restaurants I go to," 28.6 percent strongly agreed and an additional 43.2 percent agreed. Only about one-fourth — 26.4 percent — disagreed with the statement.

Data from the CREST survey also indicate that people have changed the type of restaurant they visit as economic conditions deteriorate, with some consumers trading down to lower priced restaurants, some trading up to higher priced restaurants and some dropping out of the market entirely. (See *Foodservice Trends*, July 1981, May 1980 and March/April 1980.)

Most consumers are not looking for other forms of entertainment to substitute for eating out, but a substantial proportion say they are turning to other types of entertainment as a result of their financial situation. Although nearly half — 48.4 percent — disagreed with the statement, "For financial reasons I am looking for other forms of entertainment rather than eating out" and 6.3 percent strongly disagreed with the statement, four out of 10 indicated that they are turning to other forms of entertainment, including home video games or video tape recorders, rather than eating out.

For financial reasons I am looking for other forms of entertainment rather than eating out.

Strongly agree	**12.3%**
Agree	**28.4**
Disagree	**48.4**
Strongly disagree	**6.3**
No opinion/don't know	**4.6**

Lower income households are more likely to have changed eating out habits. . .

Lower and moderate income households have altered their eating out habits more than upper income households have. This probably reflects the fact that lower and moderate income families suffer most during times of high inflation and declining real incomes.

**NRA commissioned a telephone survey in early November 1981 to determine how consumers make the decision to eat out at restaurants. In conjunction with this survey, respondents were also questioned about the effects of current economic conditions on their eating out habits.*

Approximately 800 households were contacted. Only persons 18 years old and older who had eaten out at least once in the past two weeks were interviewed. The results of the more detailed consumer attitude and behavior survey on the decision-making process will be available in early June.

Economic conditions have affected where I eat.

By income range . . .

	under $20,000	$20,000 $29,999	$30,000 and over
Strongly agree	31.3%	33.7%	17.0%
Agree	45.9	41.6	40.8
Disagree	18.2	22.5	33.0
Strongly disagree	3.0	1.5	7.1
No opinion/don't know	1.5	0.7	2.0

Three out of 10 households with incomes under $20,000 strongly agreed with, "Today's economic conditions have affected which restaurants I go to," and 45.9 percent agreed with it. The proportions for moderate income households who strongly agreed and agreed with this statement are 33.7 percent and 41.6 percent, respectively, while the corresponding percentages for those in the upper income category are a considerably lower 17 percent and 40.8 percent. On the other hand, four out of 10 of these top income families either strongly disagreed or disagreed with the phrase, versus 21.2 percent and 24 percent for lower and moderate income families, respectively.

Lower income households are more likely than others to be looking for other forms of entertainment rather than dining out at restaurants. Forty-five percent either strongly agreed or agreed with, "For financial reasons I am looking for other forms of entertainment rather than eating out."

For financial reasons I am looking for other forms of entertainment rather than eating out.

By income range . . .

	under $20,000	$20,000 $29,999	$30,000 and over
Strongly agree	15.5%	10.5%	7.5%
Agree	29.3	30.9	25.7
Disagree	44.6	50.4	53.8
Strongly disagree	4.4	6.3	10.9
No opinion/don't know	6.2	1.9	2.0

However, a slightly larger proportion, 49 percent, strongly disagreed or disagreed with the statement. A lower 41.4 percent of those earning between $20,000 and $29,999, and only 33.2 percent of those in the over $30,000 bracket agreed with this phrase. On the other hand, upper income families are least likely to be looking for other forms of entertainment — nearly two-thirds indicated that this statement did not apply to them. Some researchers believe that these more well-to-do families may "trade down" in the type of restaurants they patronize during a recession, but they still continue to dine out as frequently as they did in the past.

Eating out habits change . . .

Households where children under 13 are present and singles say they have changed their eating out habits more dramatically because of current economic conditions. Nearly four out of 10 (37.8 percent) families with young children strongly agreed with, "Today's economic conditions have affected which restaurants I go to," and an additional 39.7 percent agreed with it. Although only 20.7 percent of the singles strongly agreed with this phrase, an additional 50.6 percent agreed with it. On the other hand, a relatively large proportion of the married couples with no children (28.3 percent) and the families with children 13 and over (28.7 percent) felt that this did not describe them.

Economic conditions have affected where I eat.

By family type . . .

	single	married no children	children under 13	children 13 and over
Strongly agree	20.7%	27.1%	37.8%	26.7%
Agree	50.6	42.2	39.7	41.8
Disagree	18.0	25.7	18.6	26.7
Strongly disagree	9.6	2.6	2.2	2.0
No opinion	1.0	2.4	1.6	2.7

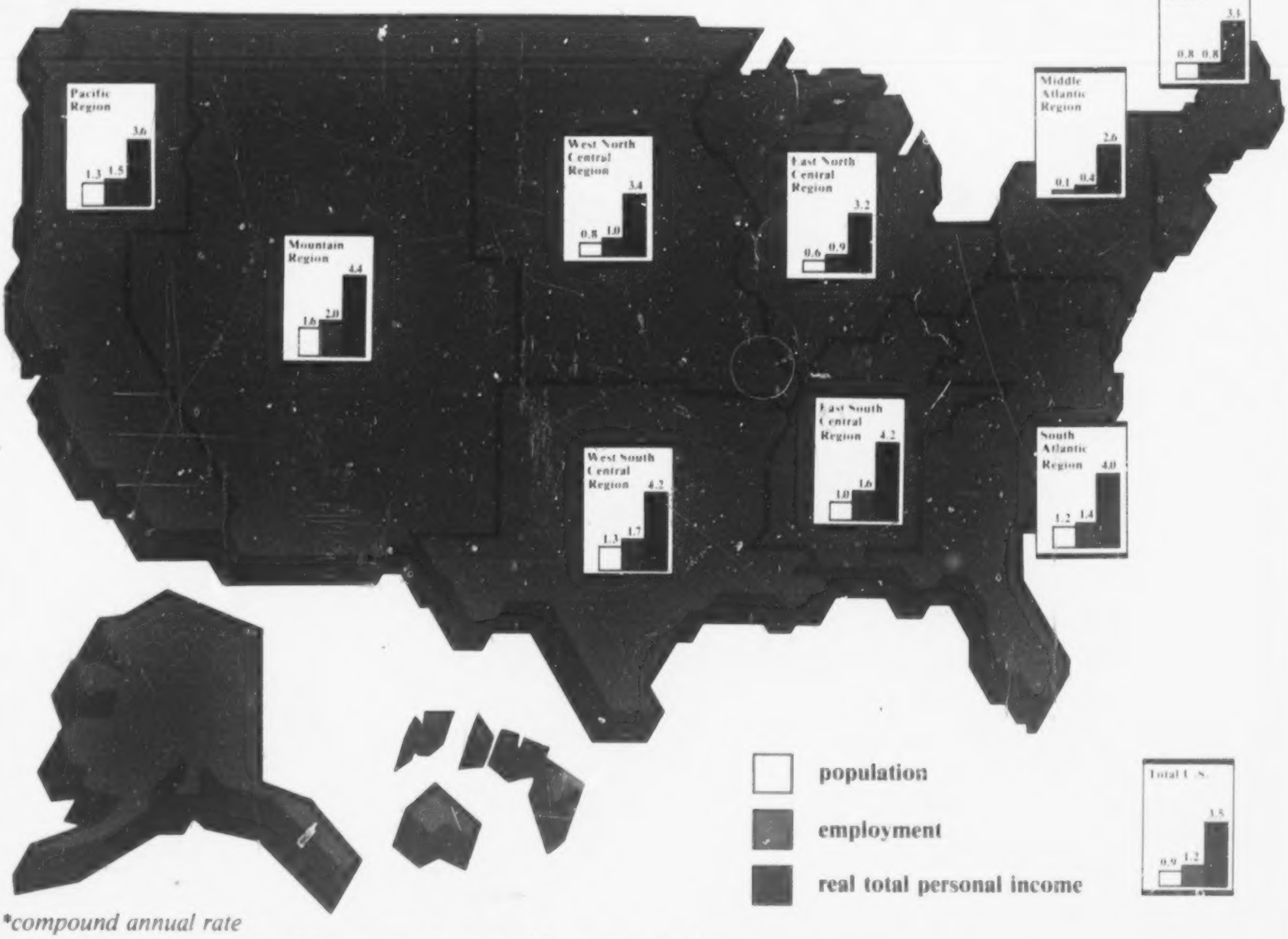
Households with children are also more likely to be looking for other forms of entertainment rather than eating out at restaurants. Nearly half of the households with children under 13 and 37.2 percent of the households with children 13 and over agreed that for financial reasons they are looking for other forms of entertainment. Conversely, over half of the singles and married couples with no children stated that this did not apply to them.

For financial reasons I am looking for other forms of entertainment rather than eating out.

by family type . . .

	single	married no children	children under 13	children 13 and over
Strongly agree	14.1%	8.1%	17.4%	12.2%
Agree	21.4	26.7	32.5	25.0
Disagree	51.7	51.9	42.6	53.4
Strongly disagree	4.9	6.1	6.0	5.4
No opinion	8.0	7.3	1.6	4.0

Percent change in population, employment and income 1985-1990*


New England Region
0.8
0.8
3.1
Middle Atlantic Region
0.1
0.4
2.6
Pacific Region
1.3
1.5
3.6
West North Central Region
0.8
1.0
3.4
East North Central Region
0.6
0.9
3.2
Mountain Region
1.6
2.0
4.4
East South Central Region
1.0
1.6
4.2
West South Central Region
1.3
1.7
4.2
South Atlantic Region
1.2
1.4
4.0
☐ population
▨ employment
■ real total personal income
Total U.S.
0.9
1.2
3.5

**compound annual rate*
Source: U.S. Department of Commerce, Bureau of Economic Analysis

Population, employment and income projected to 1990

Population, income and employment, factors which portray the health of our nation's economy, will fluctuate significantly by state and region during the 1980s, according to projections recently released by the U.S. Department of Commerce's Bureau of Economic Analysis.*

Overall, economic growth will vary considerably throughout the U.S. during the 80s. States located in the mountain and Pacific regions are expected to experience the most rapid gains in employment and population, while areas in the middle Atlantic and New England regions will be among those areas with the slowest growth. Highlights of these projections are presented in the following report.

Nevada leads nation in population growth...

- Nevada is forecast to have the most rapid increase in population — 3.2 percent annually between 1985 and 1990.
- Other states ranking among the top 10 in projected population growth during the last half of this decade, include Alaska, Wyoming, Oregon, Colorado, Florida, Arizona, New Hampshire, Texas and Hawaii.

*Analysis of this information can be helpful to restaurant operators in forecasting sales, determining labor pool availability and understanding how future economic conditions in their own geographic area could affect the industry.

cent, respectively, between 1985 and 1990. Pennsylvania and Massachusetts will have modest gains of only 0.1 percent and 0.3 percent, respectively.

- The mountain region ranks first in population growth with a 1.6 percent annual increase between 1985 and 1990, followed by the west south central and Pacific regions with projected gains of 1.3 percent.
- Population in the middle Atlantic region will experience the slowest increase in the nation with a yearly rise of only 0.1 percent, compared with an average annual increase of 0.9 percent for the total U.S.

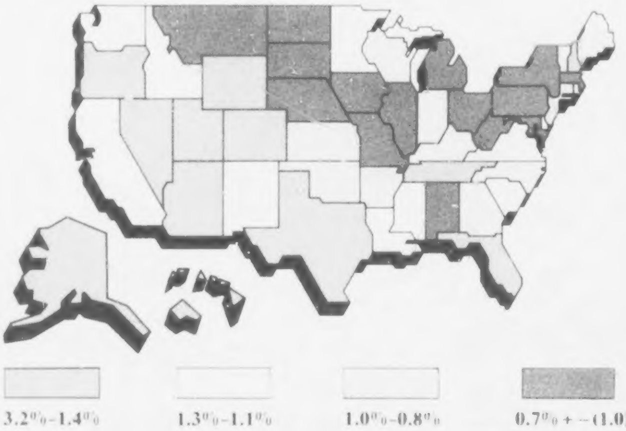
Employment to rise 2.9 percent annually in Nevada and Alaska...

- Employment will advance 2.9 percent annually in Nevada and Alaska during the last half of the 1980s.
- Wyoming will experience a 2.2 percent average annual increase in employment, while Colorado, Oregon and Utah are projected to have gains of 2.1 percent.
- Employment growth will be slowest in New York and the District of Columbia with average annual increases of only 0.1 percent between 1985 and 1990.
- The mountain region ranks first in employment growth with a projected annual gain of 2.0 percent. The west south central and east south central regions are expected to experience increases of 1.7 percent and 1.6 percent, respectively.
- Employment growth in the middle Atlantic and New England regions will be the slowest in the nation with an average annual rise of 0.4 percent and 0.8 percent between 1985 and 1990. This compares with a projected gain of 1.2 percent for the total U.S.

Alaska has highest per capita income...

- Per capita income in Alaska is forecast to total $9,305 in 1990 — up from $7,233 in 1978.
- The District of Columbia ranks second in the nation in per capita income reaching a projected total of $8,916 in 1990.
- Mississippi's per capita income, which is the lowest in the nation, is expected to equal $5,569 in 1990 — up from $3,721 in 1978.
- Per capita income in the Pacific, east north central and middle Atlantic regions will be higher than the U.S. average of $7,294 in 1990.
- The east south central region will have the lowest per capita income in the U.S., reaching $6,327 in 1990.
- Nevada will experience the most rapid advance in real total personal income (adjusted for inflation) — up 5.3 percent annually during the five-year period — 1985 to 1990.
- Alaska and Wyoming follow with projected annual gains of five percent and 4.6 percent.
- Other states ranking among the top 10 in projected personal income growth include Utah, Colorado, Arizona, Florida, Tennessee, Mississippi and Texas.
- New York and the District of Columbia are forecast to experience the slowest gains in real total personal income of 2.3 percent and 2.4 percent, respectively.
- Real total personal income is forecast to rise 4.4 percent annually in the mountain region in the last half of this decade.
- The west south central and east south central regions are expected to show increases of 4.2 percent yearly in real personal income, compared with 3.5 percent for the total U.S.
- The middle Atlantic region, with a yearly gain of 2.6 percent, will experience the slowest rise in real total personal income in the nation between 1985 and 1990.

Average annual increase in population by state 1985–1990



Source: U.S. Department of Commerce, Bureau of Economic Analysis

More detailed information on labor pool availability, as well as state and regional economic performance during the last half of this decade is available in a new NRA publication, *State Projections to 1990: population, employment and income.* This study includes:

- a population breakdown by age group
- historical data and projections to 1990 for population, employment, total personal income and per capita income
- an executive summary highlighting the forecast for each region.

Those wishing to purchase this publication can order it through NRA's educational materials department in Washington, DC for $12.50 to members. Please specify order number CS970.

Per capita income and total personal income* by state and region, 1978 and 1990

	Per capita income		Total personal income	
	1978	1990	1978 (000)	1990 (000)
NEW ENGLAND	$5,269	$7,245	$ 64,581,377	$ 95,033,781
Connecticut	5,943	7,868	18,415,615	26,762,260
Maine	4,205	6,009	4,589,067	7,260,360
Massachusetts	5,284	7,354	30,509,833	43,463,831
New Hampshire	4,919	6,818	4,284,583	7,143,655
Rhode Island	4,964	6,976	4,640,295	6,983,017
Vermont	4,401	6,226	2,142,484	3,420,658
MIDDLE ATLANTIC	5,455	7,552	200,898,253	278,473,832
New Jersey	5,850	7,959	42,864,989	63,379,529
New York	5,486	7,507	97,372,914	128,637,903
Pennsylvania	5,163	7,342	60,660,350	86,456,400
EAST NORTH CENTRAL	5,478	7,681	225,863,437	338,463,238
Illinois	5,913	8,242	66,477,485	97,298,[illegible]
Indiana	5,135	7,257	27,598,361	42,872,048
Michigan	5,658	7,892	51,990,039	78,075,884
Ohio	5,238	7,437	56,303,731	84,126,923
Wisconsin	5,021	7,013	23,493,821	36,090,325
WEST NORTH CENTRAL	5,071	7,118	86,305,288	131,082,234
Iowa	5,237	7,288	15,165,457	22,343,951
Kansas	5,231	7,260	12,280,929	18,598,191
Minnesota	5,269	7,365	21,119,924	33,709,168
Missouri	4,858	6,917	23,608,954	35,349,847
Nebraska	5,029	6,982	7,872,790	11,655,209
North Dakota	4,955	6,892	3,230,223	4,801,887
South Dakota	4,390	6,281	3,027,011	4,543,981
SOUTH ATLANTIC	4,879	6,910	168,713,782	277,325,915
Delaware	5,687	7,951	3,313,265	5,158,649
District of Columbia	6,399	8,916	4,309,693	5,697,273
Florida	5,052	7,087	43,428,162	77,877,918
Georgia	4,519	6,497	22,976,351	37,131,472
Maryland	5,565	7,754	23,054,499	34,095,000
North Carolina	4,426	6,432	24,686,179	40,436,277
South Carolina	4,195	6,079	12,238,249	20,328,891
Virginia	5,147	7,182	26,497,117	42,414,773
West Virginia	4,419	6,811	8,218,265	14,[illegible]35,662
EAST SOUTH CENTRAL	4,227	6,327	59,187,692	100,261,2[illegible]
Alabama	4,217	6,316	15,778,711	25,620,202
Kentucky	4,403	6,711	15,403,913	26,732,278
Mississippi	3,721	5,569	8,944,059	15,083,936
Tennessee	4,374	6,438	19,061,009	32,824,853
WEST SOUTH CENTRAL	[illegible]	[illegible]	107,576,812	182,050,737
Arkansas	4,081	5,952	8,920,331	14,050,883
Louisiana	4,492	6,630	17,815,109	30,091,045
Oklahoma	4,751	6,784	13,638,913	22,181,903
Texas	5,164	7,246	67,202,459	115,726,906
MOUNTAIN	5,001	7,087	51,473,838	92,035,131
Arizona	4,923	6,912	11,588,403	20,944,877
Colorado	5,411	7,501	14,448,728	26,105,472
Idaho	4,716	6,537	4,138,231	6,958,207
Montana	4,610	6,580	3,616,921	5,614,293
Nevada	6,252	8,145	4,147,852	8,320,670
New Mexico	4,399	6,267	5,332,495	8,911,181
Utah	4,396	6,294	5,747,671	10,514,557
Wyoming	5,791	7,880	2,452,737	4,665,874
PACIFIC	5,876	7,870	175,098,815	277,526,463
Alaska	7,233	9,305	2,912,677	5,031,758
California	5,944	7,936	132,519,162	206,030,180
Hawaii	5,643	7,565	4,993,004	8,163,385
Oregon	5,384	7,299	13,157,254	22,862,099
Washington	5,703	7,787	21,516,718	35,439,043
TOTAL U.S.	$5,227	$7,294	$1,139,743,824	$1,772,172,534

*Income is expressed in constant, 1972, dollars.
Source: U.S. Department of Commerce, Bureau of Economic Analysis.

CREST REPORT

CREST highlights

- **Customer traffic in U.S. restaurants grew 5.2 percent during the winter quarter despite the recession.**
- **CREST data indicate families were eating out more frequently than during the winter quarter in the previous year.**
- **CREST industry sales increased 12 percent in the winter quarter over sales for the same period during the previous year.**
- **The use of promotions continued to increase — 12.5 percent of the meal occasions involved a promotion in the December-February period, compared with 10.3 percent during last year's winter quarter.**
- **Family restaurants experienced the largest gain in customer traffic during the winter quarter — up 10 percent. Customer counts also increased at coffee shops, fast food and take out restaurants.**
- **Restaurant traffic advanced for each meal occasion during the most recent CREST period. Breakfast posted the largest gain — up 14.6 percent.**

Customer traffic is on the upswing

Customer traffic up 5.2 percent in winter quarter...

People are eating out more frequently. During the December 1981-February 1982 period, restaurant customer traffic rose for the fourth consecutive quarter. Despite the recession, traffic was up 5.2 percent in the winter quarter from the same period a year ago. This compares to a much more modest increase of 0.8 percent in the fall quarter and gains of 5.6 percent and 5.3 percent in the summer and spring quarters.

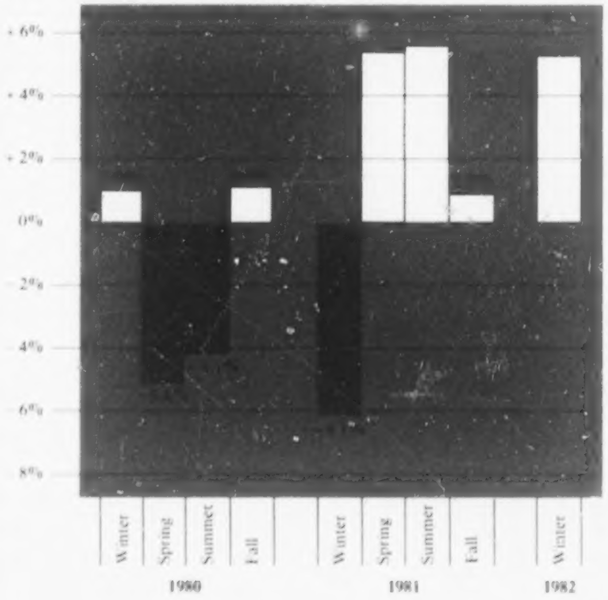
Patron counts during the most recent CREST period have not returned to the level experienced before the 1981 winter quarter when traffic fell 6.1 percent. The winter of 1981 was particularly bad for restaurants. Consumers paid more for gasoline and home heating oil due to decontrol of domestic oil prices. Continued high inflation caused consumers' real incomes to decline or rise only slightly. As a result, families cut back on their number of restaurant visits and some families even dropped out of the market.

During the winter quarter of 1982, the nation was in the midst of a recession and was experiencing high interest rates and increased levels of unemployment, however, inflation, as measured by the Consumer Price Index, dropped well below the double digit levels experienced throughout much of 1981

---

*See explanation of CREST studies on page 24.

Percent change in quarterly customer traffic (Winter '80–Winter '82)



Source: CREST, NPD Research, Inc.

and 1980. Gasoline prices also declined due to the "oil glut" and home heating prices rose only slightly. Disposable personal income increased, and many consumers may have felt an improvement in their overall economic well being. In addition, last-minute Christmas buying, together with a relatively warm February after a bitter cold January, helped spur restaurant sales.

Gallup's "Monthly Monitor of Eating Out", which tracks consumer behavior in the eating-away-from-home market, also reported an increase in the incidence of dining out for these same three months. An average of 35 percent of the people questioned in the December, January and February surveys reported eating out at least once during the preceding day — up from 33 percent in the same period a year earlier. February was a particularly strong month. The incidence of eating out reached a high of 39 percent compared to a substantially lower 28 percent in February of 1981.

It is worth noting that despite gains recorded by both CREST and Gallup, the eating and drinking place sales estimates published by the Bureau of the Census posted dismal growth, averaging about 6.4 percent during the December-February period.

The effect of moderating inflation combined with rising disposable incomes should improve the climate for consumer spending this year. NRA's forecast calls for eating places to experience real sales growth — adjusted for inflation — of two percent in 1982 following a real increase of only one percent in 1981.

Families dining out more often. . .

The average number of times customers visited restaurants rose 3.2 percent in the December-February CREST period over the year earlier. The number of families eating out also increased slightly, helping to strengthen traffic.

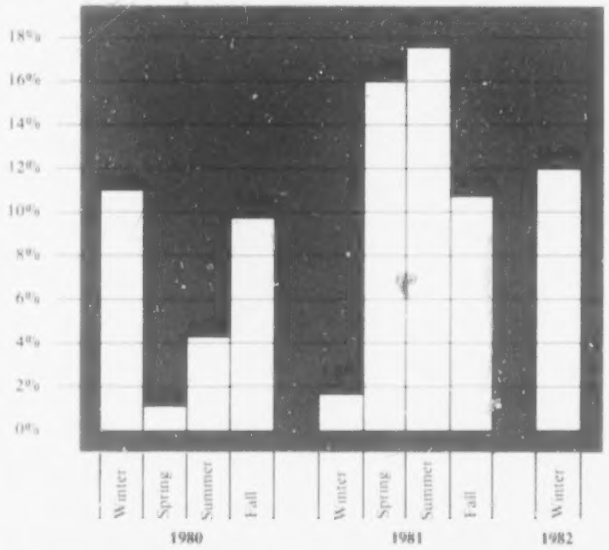
The most significant rise in visit frequency was at coffee shops — up 9.5 percent over the winter 1981 quarter. The frequency of dining out also rose at family and fast food restaurants — 3.8 percent. However, families ate out less often at atmosphere/speciality restaurants as the number of visits fell 2.7 percent from a year ago.

Despite adverse economic conditions, most consumers indicated they are not looking for other forms of entertainment to substitute for eating out. However, some patrons may be trading down to more moderately priced fast food and family restaurants. (See "Economic conditions impact on eating out habits" in this issue.)

Restaurant sales increase 12 percent. . .

CREST sales posted their fourth consecutive quarter of strong growth in the winter quarter. The 12 percent gain in

Percent change in quarterly CREST sales* (Winter '80–Winter '82)



**Sales based on total U.S.; average for two-week period in each quarter*
Source: CREST, NPD Research, Inc.

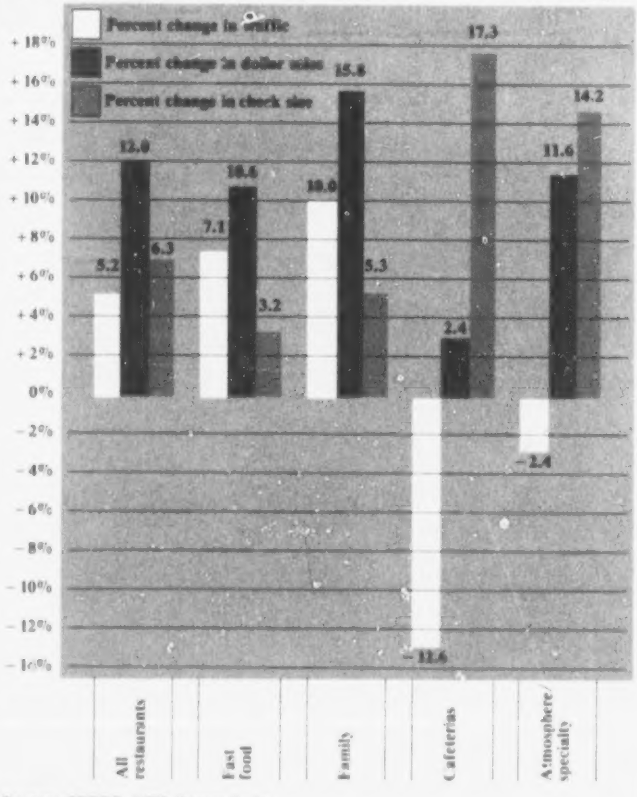
the most recent CREST period follows a 10.3 percent rise in the previous fall quarter and is substantially above the 1.8-percent rise experienced last winter.

The average expenditure for a restaurant meal or snack — per person check size — moderated in the winter quarter, up 6.3 percent from the same period a year ago. This rise approximates the 6.6 percent increase in menu prices measured by the Consumer Price Index (CPI) for food away from home during this same period.

Restaurant operators are continuing to use promotions as a means of building customer counts. In the winter quarter, 12.5 percent of the meal occasions involved a promotion — up from 10.3 percent of meal occasions in the same three-month period in the prior year.

A look at the use of promotions by restaurant type shows that fast food and atmosphere/speciality restaurants use promotions frequently. Promotions accounted for 18.1 percent of the meal occasions at fast food restaurants in the most recent CREST period — up from 14.2 percent of the occasions during the same quarter a year ago. The use of promotions at atmosphere/speciality restaurants increased from 9.6 percent of the occasions in the December 1980–February 1981 period to 11.2 percent in the most recent CREST quarter.

Winter quarter performance by select restaurant type



Source: CREST, NPD Research, Inc.

Family restaurants show most favorable gains. . .

Family restaurants posted the largest gain in customer traffic during the most recent CREST quarter. An increase in the number of visits, combined with more families eating at this restaurant type contributed to the gain. Coffee shops, fast food and take out restaurants also experienced an increase in customer counts during the winter quarter.

Traffic rose 10 percent at family restaurants in the winter quarter from the same three-month period in 1981. Families were visiting this restaurant type more often in the most recent CREST period with visit frequency up 3.8 percent from the same quarter a year ago. In addition, more families were eating out at this restaurant type. Promotional usage was heavy at family restaurants, accounting for 11 percent of meal occasions. This, along with a moderate 5.3 percent advance in the average check size, may have increased the perceived price/value relationship of a meal at family restaurants.

Fast food restaurant traffic rose 7.1 percent in the December–February period, considerably better than the fall quarter's one percent drop. This restaurant type had a high proportion of occasions involving a promotion — 18 percent — in the winter quarter, which may account for some of the increase in the number of visits, as well as the rise in the proportion of families visiting fast food restaurants. The average check size for this restaurant type advanced at a considerably slower rate than for all restaurants in the winter quarter — 3.2 percent compared with 6.3 percent.

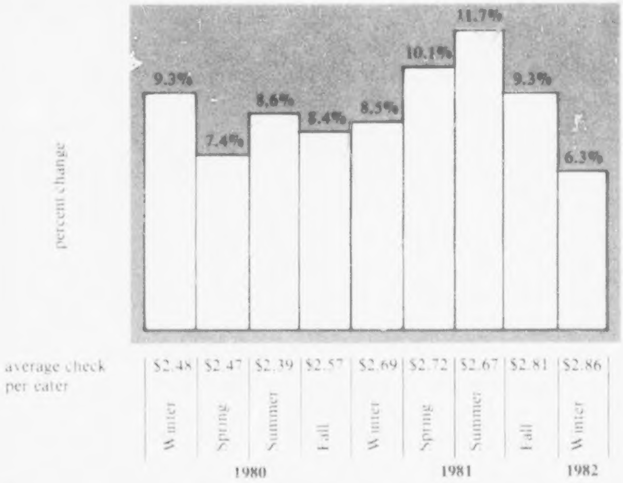
Customer counts were up at take out restaurants and coffee shops during the winter quarter — 8.1 and 6.0 percent, respectively. More families were eating out at take out restaurants in the December–February period, but they were eating out less often as restaurant visits, per family, declined 5.1 percent. On the other hand, families were dining out more often at coffee shops.

Traffic at atmosphere/speciality restaurants fell 2.4 percent during the winter quarter from the same period a year ago. In comparison, patron counts at these restaurants increased 1.7 percent during the fall quarter. Families were eating out less often at this restaurant type as the number of visits declined 2.7 percent.

A recent NRA survey revealed that many consumers say they are changing the type of restaurants they visit because of current economic conditions. This may account for the drop in visit frequency at these upscale restaurants. During the winter quarter, the average check size for this restaurant type rose at a considerably faster pace than for all restaurants — 14.2 percent compared with 6.3 percent. Increased check size also contributed to the decline in customer counts.

Traffic increased for each meal occasion in the most recent CREST period. Breakfast experienced the largest gain — up

Average per person check* (Winter '80–Winter '82)



**Based on average two-week period.*

Source: CREST, NPD Research, Inc.

14.6 percent from the same period a year ago. Breakfast traffic has increased in all but one of the past 10 quarters. The strong rise in the most recent CREST period indicates this growth will most likely continue.

The advance during the December–February period is primarily the result of families eating out more often for the morning meal as the number of visits was up 2.3 percent. The proportion of families eating out for this meal occasion also increased during the most recent CREST quarter.

Supper traffic rose 6.2 percent during the winter quarter from the same three-month period a year ago. Families were eating supper out more often — visit frequency advanced 5.2 percent. In addition, the number of families eating out for the evening meal increased. Promotional activity for supper rose considerably during the winter quarter accounting for 18 percent of the meal occasions, up from 15.9 percent during the same three-month period in 1981. The below average, 5.9 percent, rise in per person check size combined with heavy promotional activity for this meal period may have increased the perceived price/value relationship and contributed to the strong rise in traffic for the evening meal.

Restaurant traffic for the noon-day meal advanced 2.1 percent during the winter quarter from the same period in the prior year. This compares with a somewhat faster gain of 3.8 percent in the prior fall quarter.

Customer counts for snacking occasions advanced 5.4 percent in the most recent CREST period from the winter quarter a year ago. This advance is due primarily to an increase in the number of families eating out. The average check size for this meal occasion rose a moderate 3.1 percent in the December–February period compared with a 6.3 percent gain for all restaurants.

WHAT IS CREST?

Launched in September 1975, the CREST (Consumer Reports on Eating Share Trends) survey is designed to track expenditures and behavior in the commercial segment of the foodservice industry. While the study does track chain trends, a great deal more is available, including information by type and classification of restaurant and also by meal or snack period.

Some 10,000 families, or approximately 30,000 persons, are chosen to reflect the U.S. and participate in the study. Each family is asked to record restaurant experiences for a particular two-week period for each of the four quarters during the year. Because the study is repetitive, it allows an excellent opportunity to follow changing trends.

In order to properly complete the CREST diary, several steps are involved. Step 1 requires a daily entry for each meal during the two-week period for each household member. Whenever the code for restaurant purchases appears, the participant is asked to elaborate on the occasion by making further entries in the diary.

The second portion of the diary is used only if a household member ate or obtained food prepared away from home in establishments such as restaurants, hotels and motels, fast food/drive-ins, delicatessens, refreshment stands, carryouts, coffee shops, donut shops, ice cream shops, or eating places inside variety stores, or other retail stores. The diary will not include any meals eaten at schools, hospitals, colleges, or other institutional feeding places. When the two-week reporting period is complete, the diary is returned to NDP Research, Inc.

The CREST study is a joint effort of individual foodservice organizations acting in concert to fund a study perhaps beyond the economic reach of any of the individual participants. NRA is solely a participant in this study and not a sponsor. Readers wishing more information on how to participate in the CREST study should contact NPD Research Inc., 9801 West Higgins Road, Rosemont, IL 60018.

The CREST study is designed to provide information on customer behavior, not attitudes. This study will, therefore, provide the user with information on how much people spend, where they spend, what they spend on, etc. It will not tell people's attitudes toward a particular issue. It will, because it is an ongoing study, allow comparison against a standard or the development of trend analysis, and enable the operator to make decisions based on documented trends rather than casual observation.

Industry index

Sales at eating and drinking places increased 6.6 percent in March 1982, from the same month in 1981. This compares with a slower gain of 4.2 percent during January.

Eating place sales advanced 7.2 percent in December from the same period in 1980, however, they experienced no real growth. Total 1981 real sales growth for eating places was, however, 0.8 percent. NRA forecast eating places to experience positive real growth of 1.0 percent in 1981, representing the first increase in two years.

Menu prices (Consumer Price Index for food away from home) continued to moderate in February, increasing 5.8 percent from the same month a year ago. This compares with a faster gain of 6.7 percent in January.

Prices for food at home have been rising at a slower rate than food away from home, according to the Bureau of Labor Statistics' Consumer Price Index. Food at home rose only four percent in February from the same month a year ago, slightly faster than the 3.6 percent gain experienced in January. Menu prices are rising at a much slower pace than the overall rate of inflation, however.

Retail sales
(000,000)

	Mar. 1982	percent change vs. Mar. year ago	year-to-date sales 1982	percent change vs. year ago
All retailers	**$86,025**	**2.4%**	**$238,512**	**1.8%**
Eating & drinking places	**8,120**	**6.6**	**22,659**	**6.5**
Food stores	**20,134**	**7.2**	**58,693**	**6.0**

Source: Bureau of Census, unadjusted data; subject to revision

Eating place indicators
(000,000)

	Dec. 1981	percent change vs. year ago	year-to-date sales	percent change vs. year ago
Eating place sales	**$6.947**	**7.2%**	**$82,859**	**9.8%**
Real eating place sales (Dec.)	**—**	**0%**	**—**	**0.8%**

Sources: Bureau of Census, Bureau of Labor Statistics, NRA calculations; subject to revision

Consumer prices

	percent change vs. Feb. year ago	percent change 1982 to date vs. year ago	
Food at home	**4.0%**	**3.8%**	
Food away from home	**5.8**	**6.2**	
All items less food	**8.3**	**8.8**	

Source: Bureau of Labor Statistics

Employment and earnings

	Jan. 1982	percent change vs. year ago
Total employment	**4,739,400 employees**	**3.9%**
Non-supervisory employment	**4,353,200 employees**	**3.9**
Non-supervisory average hourly earnings	**$4.08 per hour**	**4.6**
Average weekly hours	**24.6 hours**	**−2.8**

Source: Bureau of Labor Statistics

HOT OFF THE PRESS

Keeping up with your operation

The Restaurateur's Guide to Electronic Cash Register Selection

If you are a restaurateur and have not bought an electronic cash register yet, it is only a matter of time. Most operators have found electronic cash registers improve operations, reduce costs, increase revenues and, foremost, build up profit. This guide will lead you through 10 steps and systematically increase your knowledge of electronic cash registers. It will help identify the restaurant's needs and will effectively match a cash register system to the operation. Expected publication date is July 1982. Order now; Order #MG152. Member price $25.

How to Use
The Uniform System
of Accounts
For Hotels and Restaurants
UNIFORM SYSTEM OF ACCOUNTS
FOR RESTAURANTS
THE LEGAL PROBLEM SOLVER
FOR FOODSERVICE OPERATORS
Clyde L. Griffith

The Legal Problem Solver

Today, the foodservice operator is faced with a jungle of laws and regulations that have affected virtually every operational decision he must make. Failure to solve these problems, in a manner in compliance with the law, can be extremely expensive in the long run. *The Legal Problem Solver* explains, in non-legal language, operators' problems and outlines viable solutions. It is not intended as an all-inclusive legal treatise on restaurant law and should only be used as an addition to advice provided by your attorney. Order #MG410; member price $14.50.

Uniform System of Accounts for Restaurants

The primary objective of the *Uniform System of Accounts for Restaurants* (USA) is to help the operator of the smaller restaurant to interpret his results and financial position. At the same time the uniform system can be used by the large restaurant. Order #MG 936; member price $14.95.

How to Use the Uniform System of Accounts For Restaurants

The basic purpose of this book is to amplify topics presented in *The Uniform System of Accounts for Restaurants.* It is intended to add to your understanding of basic accounting. Also included in this book are two practice sets: one for restaurants and one for hotels. The practice sets are designed to follow the prescribed methods set forth by *The Uniform System of Accounts.* They illustrate the varying types of transactions involved in keeping a set of books for a typical medium-sized restaurant, a large motor hotel, or a small hotel. Order #372; member price $7.50.

AT YOUR SERVICE

Increase productivity by increasing participation

Data compiled by the Bureau of Labor Statistics reveal employee productivity in eating and drinking places has been steadily decreasing since the mid-1970s. These figures suggest that restaurant operators need to renew their efforts to motivate their employees.

NRA's *First Day* brochure, with its checklist designed specifically for managers and owners to orient new employees, provides an excellent opportunity to begin your employee motivation program. By clarifying potential operational problems on the first day, many misunderstandings can be eliminated. The checklist in the *First Day* covers basic areas such as payroll policies, work schedules, breaks and meals, dress codes, performance reviews and promotions. (For copies of the *First Day* contact NRA's educational materials department.)

The key to successful orientation, training and day-to-day operations lies in motivation.

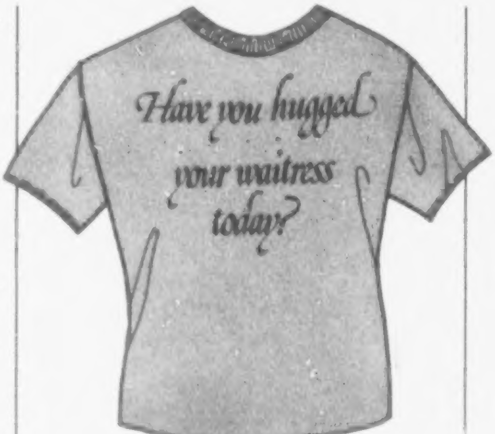
A recent survey by *Restaurants & Institutions Magazine* suggests that money is losing its importance as a motivator, while a feeling of accomplishment is gaining significance. Employees were asked:

"What is the most important reward you get from your job?"

	1978	1979	1980	1981
Feeling of accomplishment	60.1%	63.6%	71.5%	70.8%
Serving others	26.4	11.0	22.9	21.6
Money	19.9	18.2	17.3	16.8
Competing/ winning	15.8	4.9	11.3	10.3

Source: Restaurants & Institutions Magazine

In determining the techniques that will best suit your operation, NRA's list of 50 tips for encouraging employees to work productively can assist. Here are a few of the tips.


Have you hugged your waitress today?

- Set aside a reserved table for the dish crew in the employee break area.
- Frequent "award" and "reward" ceremonies: formal rites, like the "Purple Heart" for those wounded in the line of duty. . . a medal plus their very own Aloe plant.
- Name an employee of the moment and take a picture with a Polaroid camera so you can catch them at their finest hour.
- Recognition programs or rewards for doing something right, such as gift certificates for food in the restaurant.
- An employee library stocked with travel magazines, cookbooks, slides, films, etc.
- Memory training — name, face, recognition — one of the single most important factors for building repeat business.
- Take a productivity "walk-through" at random times throughout the shift. Make notes of how many employees are productively employed and how many are not.
- Measure productivity on a predetermined consistent basis, i.e., sales per hour or sales per labor dollar.
- Break down the psychological barriers between the front of the house and the heart of the house. Have short-term reassignments, cross-training, general tastings (so everyone knows what items taste like) and similar cooperative ventures.
- Personalize life at your restaurant for employees. Try business cards, name tags that mean something, matches, pencils, T-shirts, jackets, your menu on a T-shirt, etc.
- Promote fitness within the staff. Include exercises, health club memberships, contests, races and group diets.
- Provide your employees with a score board, and post the end results — reward for excellence.
- Conduct field trips to other restaurants. This provides informal opportunities that let employees see how others do things.
- Start clubs within the restaurant for exceptional performers: high sales club, most productive kitchen workers and so on.
- Name some of your items in honor of your employees.
- Honor "world records" set in your restaurant: "most sales ever on a single shift," "most consecutive nights with perfect steak sheets," "most fudge nut delights sold in one night," etc. Be creative with prizes, awarding anything from a canoe to a weekend in New York.
- Reward positive performance adequately. Everyone deserves merit increases.
- Provide essential information to employees who can do something about changing things for the better.
- Assign different employees the responsibility of becoming specialists in certain areas of the operations: sanitation, wine, etc.

For more information concerning employee motivation and productivity, contact NRA's information service and library, 311 First Street, N.W., Washington, DC 20001.

NRA SEMINAR SCHEDULE

Practical Accounting for Foodservice Managers

Jul. 19	Milwaukee, WI

Food & Beverage Operations Auditing

Jun. 10	Los Angeles, CA

Bar Management

Jun. 7–9	Washington, DC
Jul. 12–14	Dallas, TX

Basic Supervision

Jun. 15	Denver, Co
Jun. 17	Las Vegas, NV
Jun. 28	Tampa, FL
Jun. 30	Washington, DC
Jul. 13	Phoenix, AZ
Jul. 20	San Diego, CA

Budgeting and Profit Planning

May 22	Chicago, IL, NRA Show

Computers

May 22	Chicago, IL, NRA Show
Jun. 7	Dallas, TX
Jun. 9	Phoenix, AZ

Controlling Beverage Costs

Jul. 6	Philadelphia, PA
Jul. 12	Louisville, KY
Jul. 26	Boston, MA

Controlling Food Costs

May 22	Chicago, IL, NRA Show
Jun. 21	Chicago, IL
Jun. 23	St. Louis, MO

Controlling Labor Costs

Jul. 7	Oakland, CA

Creative Merchandising Techniques

Jun. 24	St. Louis, MO

Dining Room Management

Jun. 7	Hartford, CT
Jun. 9	Rochester, NY
Jul. 12	Des Moines, IA
Jul. 14	Omaha, NE
Jul. 19	Detroit, MI
Jul. 27	Buffalo, NY

Fish and Seafood

May 19	Los Angeles, CA
Jun. 15	Detroit, MI
Jun. 17	Milwaukee, WI
Jul. 6	Savannah, GA

Hiring Hourly Employees

May 22	Chicago, IL, NRA Show
Jun. 28	Seattle, WA
Jul. 27	New Orleans, LA

Improving Food Production Methods

Jun. 15	Minneapolis, MN
Jun. 21	Honolulu, HI
Jun. 24	Portland, OR
Jul. 29	Cincinnati, OH

Kitchen Management

Jun. 7	Chicago, IL
Jun. 22	Boston, MA
Jun. 24	King of Prussia, PA
Jul. 6	Albany, NY
Jul. 7	New York City, NY
Jul. 26	Austin, TX
Jul. 28	Dallas, TX

Location! Location! Location! How to Successfully Negotiate and Finance Your New Operation(s)

Jul. 21–22	Kansas City, MO

Management Recruitment and Selection

May 22–23	Chicago, IL, NRA Show

How to Research and Analyze Your Customers, Sales, and Competition

Jun. 14	Houston, TX
Jul. 21	San Francisco, CA
Jul. 22	Portland, OR

Marketing for Profit

May 22–23	Chicago, IL, NRA Show
Jul. 7–8	Atlanta, GA

Prectical Meat Workshop

Jun. 21	Los Angeles, CA
Jun. 23	San Francisco, CA

Menu Development

May 22	Chicago, IL, NRA Show
Jun. 3	Hyannis, MA

Off Premise Catering

May 22–23	Chicago, IL, NRA Show

Operational Analysis

May 22–23	Chicago, IL, NRA Show
Jul. 14–15	Minneapolis, MN

Performance Review

May 23	Chicago, IL, NRA Show
Jun. 29	Seattle, WA
Jul. 28	New Orleans, LA

Real Estate and Site Selection

May 22–23	Chicago, IL, NRA Show

Restaurant Design and Facilities Planning

May 22–23	Chicago, IL, NRA Show
Jun. 1–2	Atlantic City, NJ

Soups & Sauces Workshop

Jun. 14	Orlando, FL
Jun. 17	Williamsburg, VA

How to Turn Your Restaurant Business into a Private Tax Shelter

May 22–23	Chicago, IL, NRA Show
Jul. 27–28	Boston, MA

National Conference on Human Resources

Jun. 21–22	**Washington, DC**

For more information, contact NRA's seminar department, 311 First St., NW, Washington, DC 20001; call (202) 638-6100 or (800) 424-5156.

NATIONAL RESTAURANT ASSOCIATION

NRA National Conference

HUMAN RESOURCES IN FOODSERVICE

EMPLOYEE RELATIONS — THE CHALLENGE OF THE 80s

- ★ TRAINING PROGRAMS
- ★ MANAGEMENT POLICIES
- ★ LEGAL ISSUES

WN 05/10 MEMBER#81L004WF
STATISTICAL REFERENCE IND
CONGRESSIONAL INFO SERVICE
4520 EAST-WEST HWY #800
WASHINGTON DC 20014

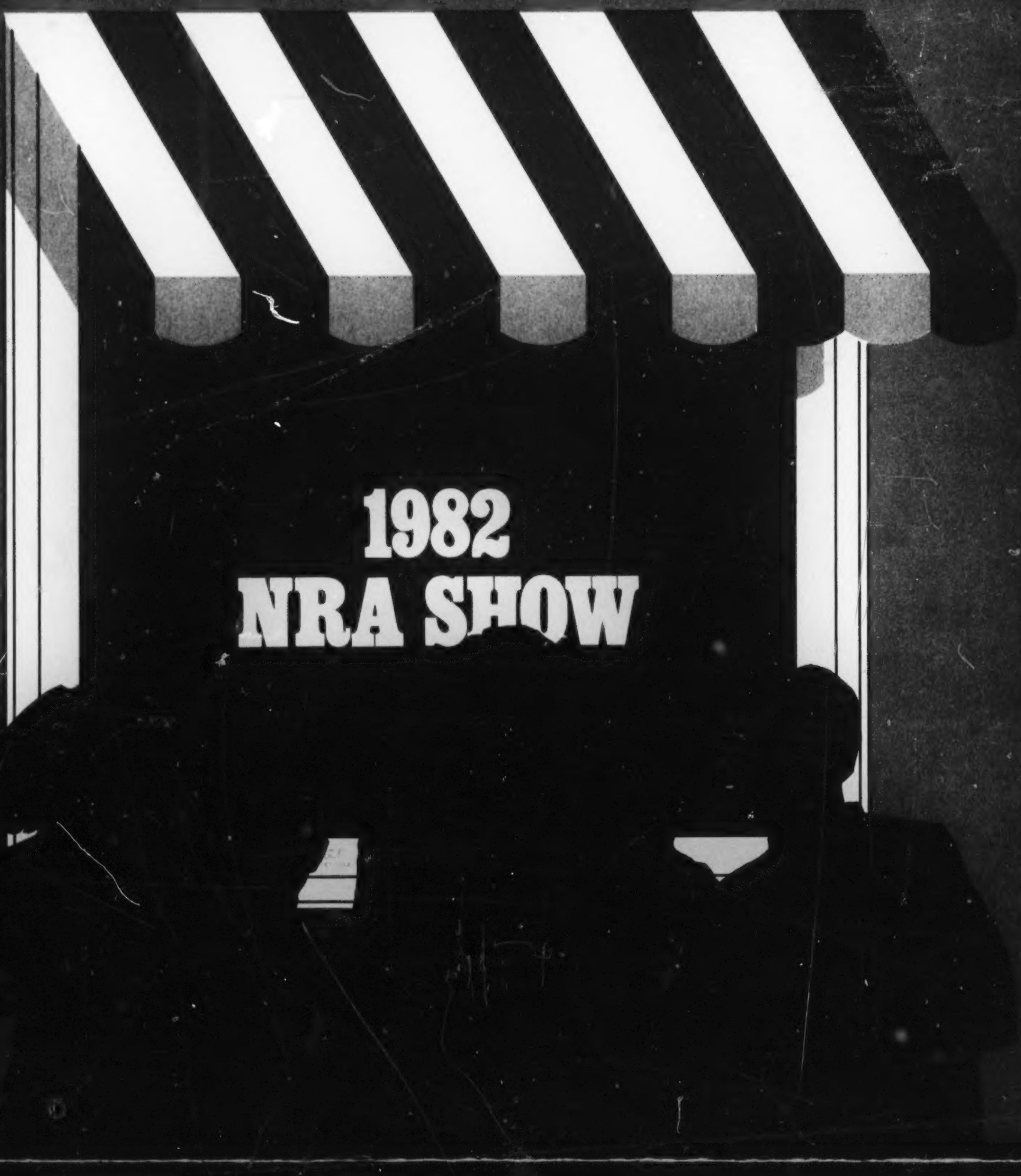
Washington, DC
June 21-22, 1982

A8200-1 7/1/82

National Restaurant Association

Vol. 2 ☐ No. 6 ☐ June/July 1982

NRA NEWS



1982 NRA SHOW

New President Dankos concerned with hospitality, foodservice voice in Congress

I am excited about two new NRA projects, and I would like to share that excitement with you.

One priority project is our new key contact program. It will work something like this. We are going to identify those congressmen and senators who are most often involved with foodservice issues. Then we will attempt to find members who live in the state or district of these congressmen. These NRA members will serve as "key contacts." They will try to get to know their congressmen: They will invite their congressmen to their restaurants and talk to them about our industry and its problems. They will also visit their congressman's office and get to know their aides.

So when it comes time to tell our views on legislation or regulation these "key contacts" will become the spearhead of our lobbying effort. We will call on them to contact their congressional representatives and let them know how this bill or that ruling will hurt or help our industry. Through this kind of grassroots political action, NRA intends to see that your interests are considered whenever laws and regulations are being drafted.

The other priority project concerns foodservice operations—in particular, how we treat our guests. A new NRA survey shows that "friendly service" is what promotes repeat business. But our employees are not always as courteous or sympathetic as they might be. It is a problem we must solve.

The 1982 NRA Board has decided to focus on foodservice hospitality. It has engaged an outside firm to develop two training programs—one to train managers to train employees and another in-house seminar which will train employees directly. This new program will be researched and developed this year, and the seminars will be launched at the NRA Show next May.

NRA will also develop backup materials for these seminars—how-to manuals, filmstrips, posters, table tents and pins. There will even be a certification program for all employees who participate.

These are just two of the projects NRA is developing to serve you better. There will be others to meet the diverse needs of our membership. As you know, the foodservice industry includes large firms and small. It includes people who have been involved in foodservice for years and people who opened their first restaurant last month. NRA tries to serve them all. I will be in touch with you in the months to come about what NRA is doing to supply leadership for all our members—whatever their scope, experience or priorities.

Sincerely,

John G. Dankos

John G. Dankos
President & Chairman of The Board

NRA NEWS

Officers
Chairman of the Board
John G. Dankos
Vice Chairman
Joe R. Lee
Treasurer
Harris O. Machus
Chief Staff Officer
Robert Neville
Corporate Secretary
Ruth K. Tracy

Chairman
Communications Committee
Michael J. Grisanti
Executive Committee
Ted Balestreri
John F. Cauley
Robert T. Clift
James A. Collins
Walter Conti
Stanton D. Elliott
Thad A. Eure, Jr.
Ralph B. Evans
G. "Jim" Hasslocher
Larry Hilaire
Michael E. Hurst
William Ray Lackey
Jack A. Laughery
Michael O'Neal
John L. Rian
Ernest H. Royal
Harris H. Rusitzky

Senior Director
Jeffrey R. Prince
Executive Editor
Steven J. Dahllof
Editor
Sylvia Rivchun
Communications Specialists
Carol A. Caprione
Elyse G. Cuttler
Staff Contributors
Walter Ashcraft
Joan E. Campbell
Tom C. Corcoran
Cindy M. Estis
Clyde L. Griffith
Elizabeth E. Hendrix
Bette B. Hoyt
Art Miller
Susan F. Mills
Jay H. Morris
Robert A. Palmer
Tina Packard
Andrew P. Poledor
James T. Rogers
John R. Rolfs
Rachel A. Zachary

Editorial offices
and NRA headquarters
311 First Street, N.W.
Washington, DC 20001
(202) 638-6100

Chicago offices
One IBM Plaza, Suite 2600,
Chicago, IL 60611
(312) 787-2525

NRA News (ISSN 0465-7004) is published monthly by the National Restaurant Association, 311 First St., N.W., Washington, DC 20001. Membership dues include a one-year subscription to *NRA News*. The non-member subscription fee is $125 per year. Second-class postage paid at Chicago, IL 60607 and additional mailing offices. Copyright ©NRA 1982, all rights reserved. Postmaster, send address change to NRA News, 311 First St., N.W., Washington, DC 20001.

CONTENTS

Cover Story

There's nothing quite like the NRA Show. Acres and acres of products—featuring everything from aprons to zucchini—are ready to be touched, tasted, smelled, compared and discussed. At seminars, in competitions, on the display floors, there are people to meet, new things to do—and lots to take home. Even if you didn't make it to Chicago in May, you can get a feeling for the excitement and upbeat tempo of the 63rd annual Restaurant, Hotel-Motel Show by reading the *Show Report*. It begins on page 5.

5 Patriotism, optimism set the tone

6 **The Show:** More to see, taste, discuss

8 **Trends** from the exhibit floor

10 *NRA News* chats with new **NRA President Dankos**

12 Getting into the swing of things

13 **Ringside** cooking, dining and critiquing

14 The **seminars:** Management know-how, cafeteria-style

15 A seminar sampler

17 Taking a bow at the Show

Specials

18 **Importing People**—interview with an immigration expert

23 The Foodservice Industry **1980—an indepth look** (it's been uphill since then)

Departments

Short Orders 2 Roll out the carpet for **Grandparents Day**

Washington Report 3 NRA opposes new bill that would toughen **FLSA violation penalties**

Boardroom Report 4 **New NRA officers** predict industry sales gain

State Department 22 Ohio Restaurant Association fights **syrup tax**—and wins

Foodservice Trends 39 **Summer travel outlook** favorable to foodservice industry

Technical Services 40 New study begins on **energy consumption** in restaurants

Fire up your kitchens for Grandparents Day, September 12

Mothers Day has been setting restaurant sales records for years. But competition may be on the way. The National Council for the Observance of Grandparents Day is working harder than ever to build national recognition and observance of Grandparents Day, which occurs on the first Sunday following Labor Day. This year the holiday falls on September 12.

The National Restaurant Association is joining forces with other groups to promote Grandparents Day. Next month's issue of *NRA News* will take a closer look at the holiday and its origins. NRA also is placing feature stories in newspapers across the country to build consumer recognition and is preparing table tents so foodservice operators can do some advertising of their own. If you would like to plan a promotion, be on the lookout for the order form for these table tents. In addition, you can order posters, counter cards and badges that have been prepared by the National Council for the Observance of Grandparents Day. For a brochure that describes these products, call the National Clothier Service toll-free at (800) 621-4118.

If you live in Illinois, the toll-free number is (800) 972-3608.

SHORT ORDERS

Beef grading update

NRA continues to fight USDA's plan to downgrade federal beef quality standards even though the official public comment period on the controversial proposal ended March 31. NRA Director Ralph Evans of Evans Farm Inn in McLean, VA was recently a guest on "Up on the farm," a 30-minute television show produced by the Maryland Center for Public Broadcasting. Evans discussed the proposal and its implications.

USDA has not yet announced its decision on this issue. It reportedly has had to revise its evaluation guidelines in the wake of a flood of consumer protests: 3,860 letters were received during the comment period with nearly 75 percent coming from the general public.

Director G. "Jim" Hasslocher of Frontier Enterprises in San Antonio, TX and chairman of NRA's Ad Hoc Beef Grading Committee, said he was not surprised at the turn of events. "It was only natural the general public would feel their ability to choose between flavorful marbled meat and lean economical meat is being threatened," he said.

Hasslocher called on the beef industry to stop eroding customer confidence in product quality and to broaden beef's appeal in the market place. "Beef consumption is down and NRA is most concerned about this trend. Restaurateurs have traditionally been the beef industry's best promoters . . . and we'd like to keep it that way," he stated.

"The restaurant industry continues to maintain that the federal beef grading system must have integrity within the grades . . . that each grade must be narrow enough to denote a specific and identifiable quality of product," Hasslocher concluded.

Four restaurateurs win small business awards

Four restaurateurs have been named Small Business Person of the Year in their respective states. These prestigious awards are presented annually by the Small Business Administration to entrepreneurs who have made outstanding contributions to the small business community.

Three of this year's four winners are NRA members. German-born Erwin Asam, president of Asam Enterprises, owns and operates the Bavarian Inn in Shepherdstown, West Virginia. His sales have more than tripled since 1977, when he took over the restaurant.

Mary C. Mahoney, president of Mary Mahoney's Inc. in Biloxi, Mississippi, owns and operates a restaurant complex built around a house dating from the 1700s. The restaurant employs 125 people and features gulf coast seafood with creole accents.

Kay L. Riordan, president of Mountain Company Inc. in Keystone, South Dakota, converted a log cabin at the foot of Mount Rushmore into a 30,000 square foot dining room and gift shop. Riordan employs 150 workers and represented South Dakota at the White House Conference on Small Business.

The fourth restaurateur to win the small business award was Siew Po Hao, owner of the China Inn Restaurant in Knoxville, Tennessee.

Three NRA members won Small Business Person of the Year awards for their respective states. They are Erwin Asam, Mary C. Mahoney and Kay L. Riordan.

WASHINGTON REPORT

Immigration bill moving quickly through Congress

Legislation to reform the nation's immigration laws is now moving quickly through Congress. Known as the Immigration Reform and Control Act of 1982 (S. 2222, H.R. 6514), the bill has been approved by the Senate Judiciary Committee. Approval by the House Judiciary Committee is expected shortly. NRA opposes the bill's complicated verification procedure and employer sanctions, which apply the same stiff penalties whether an illegal alien is hired by an employer intentionally or inadvertently.

Under the bill, employers would be required

- to demand two kinds of identification from every job applicant
- to determine whether the identification presented appears on its face to be valid
- to sign a form stating the applicant's eligibility to be employed has been verified
- to have the applicant sign the same form to attest that he or she is legally employable and
- to keep these records for at least five years.

Failure to follow this procedure would result in a $500 civil penalty for each person hired, including U.S. citizens.

Employers who knowingly hire an illegal alien would face an escalating set of penalties, phased in over a three-year period. There would be no penalty during the first six months after enactment and only a warning for a violation in the next six months. But civil fines of $1,000 and $2,000 per individual would be imposed for the first and second violations after the warning, and a criminal penalty of up to $1,000 and/or imprisonment of up to six months could be imposed for a third violation. Employers of three or fewer employees would be exempt from the penalties. A criminal penalty would be exacted only if it were determined that an employer had engaged in a "pattern or practice" of knowingly hiring illegal aliens.

NRA has testified against employer sanctions on numerous occasions. It is particularly troubled that once again employers are being asked to shoulder an enforcement burden that rightfully is the responsibility of the government and that, even though the burden of proof of violation rests with the government, employers would have to bear the expense of proceedings.

NRA has joined other business groups in working to have the verification and penalty provisions eliminated from the bill. For more information on this legislation, see the interview on page 18 and contact the NRA Government Relations Department (800-424-5156).

Miller bill would toughen FLSA violation penalties

The NRA Board of Directors voted at its May meeting to oppose legislation now being considered in the House that would require employers who violate the Fair Labor Standards Act (FLSA) to pay a fine *three* times the amount owed an employee in back wages or overtime. The bill, H.R. 6103, was introduced by Rep. George Miller (D-CA), chairman of the House Labor Subcommittee on Labor Standards. Full committee consideration of the bill was imminent as this *NRA News* went to press.

Under the bill, employees would still be paid only the amount they are owed in back pay plus interest. But the employer would pay the government triple that amount, even if the employee could not be found. Under current rules if an employee cannot be found, the employer does not have to pay the back wages.

NRA and other business groups are concerned about the Miller legislation for several reasons:

(1) There has been no real employer input during the hearing and markup process.

(2) The bill's fines are excessive, rendering enforcement punitive rather than compensatory. NRA believes there is no reason to impose such a severe penalty on employers, particularly since most are acting in good faith. Such a penalty would also jeopardize the voluntary settlement process that now exists between employers and the Department of Labor.

(3) Because the FLSA is so complicated and subject to dramatic change with little notice, the bill would be unfair to employers. The Minimum Wage Study Commission concluded in 1981 that nearly three out of four FLSA violations *do not* involve noncompliance but represent miscalculation of highly technical FLSA exemptions. The Commission also found that the overwhelming majority of all FLSA noncompliance is unintentional—only a small fraction is truly "willful."

NRA has been working with a group of business organizations to prevent the bill from being considered by the full House.

TJTC extension possible

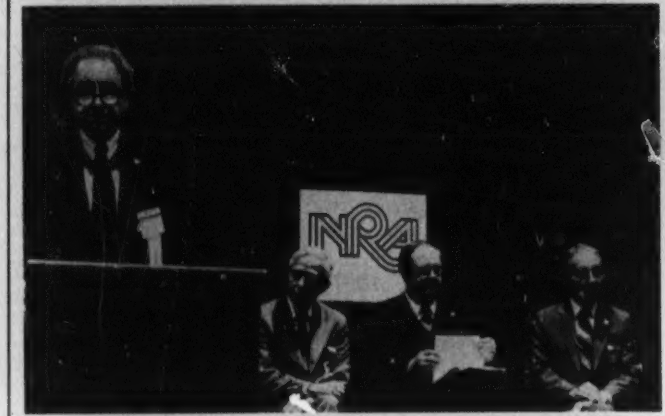
Senators John Heinz (R-PA) and Pete Domenici (R-NM) have introduced bill S. 2455 to extend the Targeted Jobs Tax Credit (TJTC) for five years. The current TJTC program—which gives employers tax credits for hiring employees from nine targeted groups—will expire after Dec. 31, 1982 unless Congress extends it. Because a large number of foodservice employers use the credit, NRA has been working with a coalition of business groups interested in seeing the credit extended.

S. 2455 would extend TJTC through the end of 1987. It would also make two changes in the current program:

(1) All cooperative education students would become eligible for the credit.

(2) In order to further restrict abuse, the credit would not be allowed for persons who have worked for the same employer within the last 180 days.

THE BOARD ROOM



New NRA President John Dankos answers questions from the press, while other new officers listen. They are (from left) NRA Executive Vice President Robert Neville, Vice President Joe Lee and Treasurer Harris Machus.

New NRA officers predict industry sales gain

"Despite the softness of the economy, the foodservice industry as a whole is experiencing real growth," newly-elected NRA President John G. Dankos told representatives of the national and trade press.

Dankos spoke at a press conference held during the NRA Show in Chicago. At his side were newly-elected NRA Vice President Joe R. Lee and newly-elected NRA Treasurer Harris O. Machus.

"I know the economy has been rough and that some firms have seen a dip in sales," Dankos said, "but the national figures assembled and evaluated by NRA researchers show that the industry as a whole has been making steady gains."

Dankos, who is president of Dankos Enterprises, Inc. in Richmond, Virginia, reported that during the sluggish winter months the foodservice industry experienced a sales increase of about one percent in real dollars. (Real dollars indicate figures corrected for inflation.) CREST reports that customer transactions were up by 5.2 percent during roughly the same period.

Breakfast sales continued to show the greatest increase among meal occasions with a 14.6 percent gain. Dankos said that this growth continues a two year trend.

Lee, who is president of the General Mills Restaurant Group in Orlando, Florida, told the press that the first quarter figures confirm the NRA prediction of a one to two percent gain in sales for all foodservice outlets in 1982.

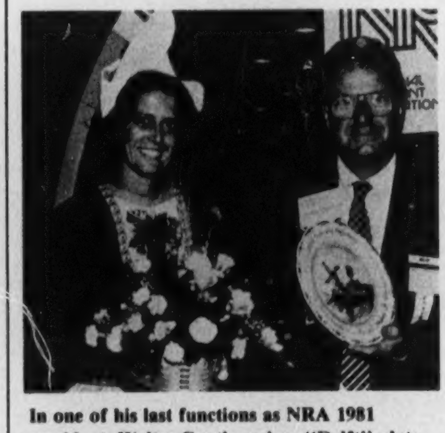
"Moderation in the inflation of menu prices may have something to do with the industry's sustained growth," Lee suggested. Menu prices have risen by only six percent this year instead of the predicted nine percent. Customers perceive they are getting value for their dollar when menu prices rise more slowly," Lee added.

All the new NRA officers agreed that a more significant explanation of the sustained growth in foodservice sales is a new perception of the industry. "People have come to regard restaurants as a necessity not a luxury," Lee pointed out. The growing segments of the population—singles, working couples, senior citizens—find meals away from home a necessity.

"These groups may trade down during periods when discretionary funds are scarce, but they don't leave the market altogether," pointed out Machus, president of Harris O. Machus Enterprises in Birmingham, Michigan.

The steady growth of these groups, Machus added, suggests a bright future for the foodservice industry.

Dankos, Lee and Machus were elected to their respective offices during the general business meeting at the NRA Show on May 24. They will serve as the association's top leadership for a one-year term.



In one of his last functions as NRA 1981 president, Walter Conti receives "Delft" plate to commemorate 200 years of unbroken diplomatic trade relations between the U.S. and the Netherlands.

New directors for 1982–83

New directors of the NRA Board for 1982–83 are:

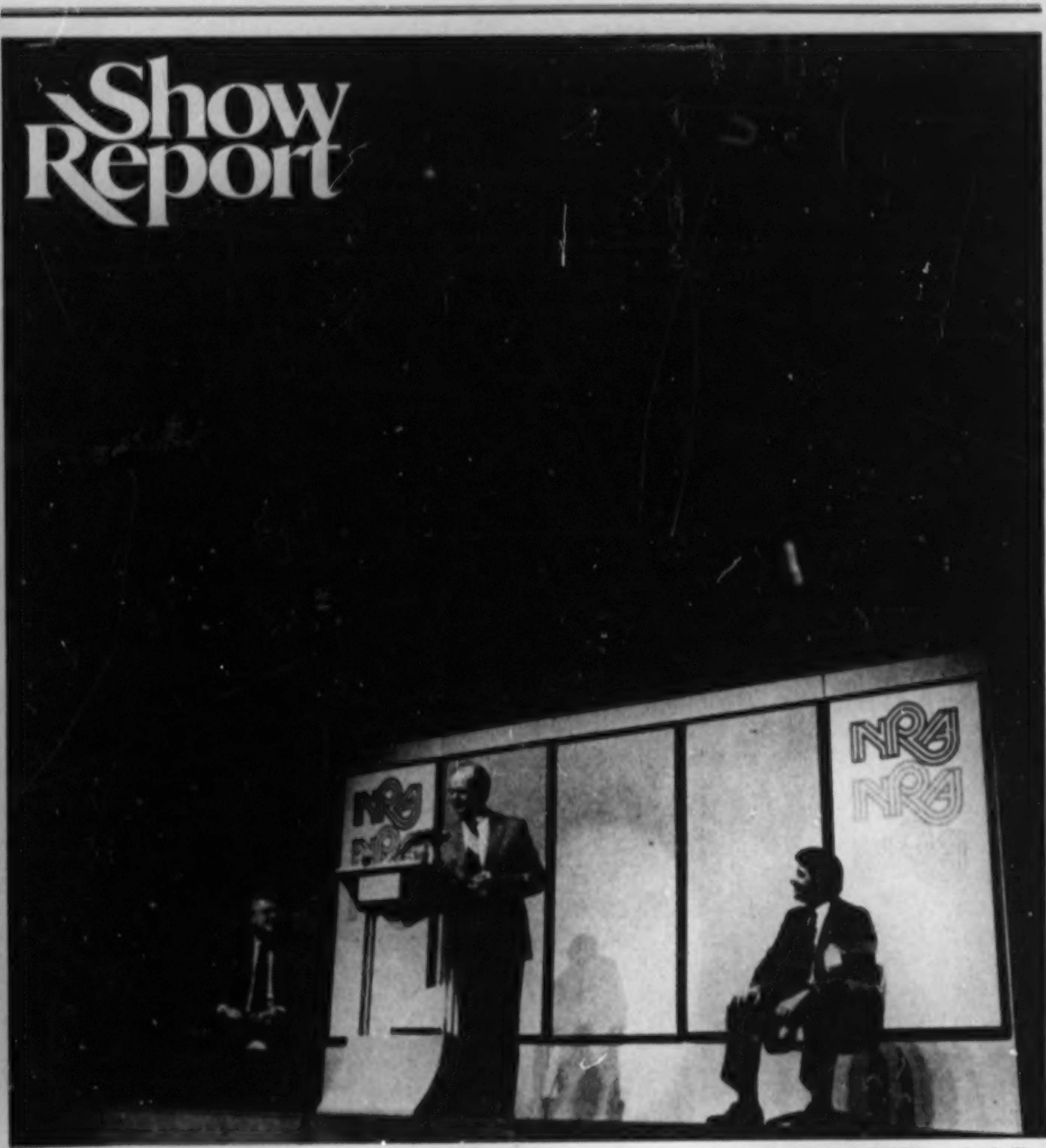
- Guss Dussin (Old Spaghetti Factory)
- John R. Farguharson (ARA Services, Inc.)
- Harry Klingeman (Indian Trail Restaurant)
- Robert M. Rosenberg (Dunkin Donuts of America, Inc.)
- Marshall Scott (KFC/Marshall Scott Enterprises)
- Robert S. Wood (Bob Evans Farm Foods, Inc.)

Thad Eure wins IFMA silver plate

Past NRA president Thad Eure, Jr., president of Creative Dining, division of General Mills Restaurant Group, won a silver plate award from the International Foodservice Manufacturers Association (IFMA).

Other NRA members winning silver plates were Maxine O. Anderson, university food services, Stanford University; Ernest E. Renaud, president, Long John Silver's, Inc.,; Albert V. Wood, director of food services, Los Angeles unified school district; and Richard Ysmael, director of employee services, Motorola, Inc.

Show Report



News commentator Paul Harvey wins the Show crowd over with his patriotic appeal. Two of his biggest fans: 1981 NRA President Walter Conti (left) and NRA Convention Chairman Ted Balestreri.

Optimism, patriotic zeal and industry pride set the tone for the 63rd annual NRA Restaurant Hotel-Motel Show. At the opening session outgoing NRA President Walter Conti inspired Show participants with his observation: "We are essential to America. America likes a job well done and that's what we give—quality food served by hospitable people."

General session speakers Paul Harvey and George Will both continued the focus on doing good for America. "Self-government without self-discipline is self-defeating," cautioned well-known radio personality Paul Harvey.

The Show: More to see, taste and discuss

With 110 more exhibits this year than last, foodservice operators had more to see, taste and discuss at the NRA Restaurant Hotel-Motel Show than ever before. Three floors of Chicago's McCormick Place were jam-packed with new ideas and products. There was something for everyone—from a pizza oven without a door to a modular computer system to a breakthrough in packaging for butter, honey or jam, to a technique for keeping wines on tap to animated life-size characters (which promise to be a hit with children at restaurants) to new ideas for designing menus, signs and restaurant space.

There were foods and drinks to sample—some popular favorites such as ice cream and chicken to less well-known products such as the hazelnut liquor Frangelica. There were uniforms, grease cleaners, ovens, dishes, cabinets, chairs, herbs, napkins, food supplies, doors, menu boards and placemats plus anything else an entrepreneur might need to fully equip a foodservice operation. There were consulting, employment and design services ready to create a dream restaurant or to update an existing operation.

Although some products and services were represented by only one company, most were represented by several exhibitors so it was easy to compare features, capabilities and even tastes. Registrants could, for example, take the Schlitz beer test, sample the new light wines or down a hearty cup of espresso.

They could make contacts or sign contracts, take home bags of literature to study and file away for reference, order state-of-the-art publications on topics that ranged from accounting to exotic recipes, and learn about foodservice programs at scores of colleges and institutes.

When their minds and senses were glutted with too much information, they could relax and talk to a robot or browse at the Culinary Arts Salon where cold foods looked like masterful still lifes.

Those more intrigued by the mysteries of gourmet food preparation in action could walk over to the Almost Perfect Kitchen and watch some of the country's finest chefs prepare four- and five-course meals for the first-ever hot food competition. (See story on page 13). Or, if they preferred, they could study kitchen designs in the NRA Invitational Design Exposition.

In short, the NRA Show covered so much ground in so many different areas that more than one registrant jubiliantly exclaimed, "I paid for my trip many times over the first morning at the Show. I walked away with several ideas I can implement as soon as I go home."

Exhibitors, too, applaud the NRA Restaurant Hotel-Motel Show for the many contacts they make. One first-time exhibitor spoke for her peers when she exclaimed, "Our two principals, traveling two solid months without stopping couldn't begin to make these contacts."

With 20 acres of Show space, there was plenty to see on the Expo Floor—including fresh fish from Holland.

NRA
INTERNATIONAL CENTER

The International Business Center at the Show serviced representatives from 77 nations, including 15 countries that participated for the first time.

From french fries to freshly-squeezed orange juice, Show attendees had plenty to sample on their way up and down the aisles.

SAFETY-LOK TILE MATTIN
NO-TRAX

Products and services were discussed so thoroughly that many contracts were negotiated right on the spot.

Recordbreaker...

The 1982 NRA Show was bigger than ever before. 85,222 people registered for the Show and 1,237 companies exhibited their products and industry know-how. Both figures were up from last year's high of 82,893 and 1,127.

In addition to the exhibits, highlights of the Show included the Culinary Arts Salon featuring displays by more than 150 chefs, "The Main Course" 10-kilometer race, "NRA-TV Today"—the first NRA closed circuit news magazine, and the invitational design exposition, which featured energy, space and cost-efficient floor plans and equipment layouts.

Breakfast boom may continue

The big boom in breakfast sales may not be over, according to companies with breakfast products exhibiting at the NRA Show. Nabisco, General Mills, General Foods, Quaker Oats and Kellogg all believe that they have been instrumental in making breakfast the fastest growing meal occasion last year—and they have plans to keep up the good work.

Kellogg is a believer in advertising. Kellogg's representatives at the Show said the company would soon embark on a "breakfast-is-good-for-you" ad campaign, designed to get adults out of bed and at the breakfast table.

Kellogg maintains people are more interested in nutrition and is focusing on this trend in its marketing. Not only is Kellogg suggesting that restaurant operators sell fruit with their cereal and such nutritional toppings as coconut, sunflower seeds and nuts but Kellogg is also making plans to reintroduce Nutri-Grain, a sugarless cereal made from whole grain. Nutri-Grain was first marketed last year.

Another believer in marketing is General Mills which does two national promotions a year—one in January-February and the other in August-September. One breakfast trend that General Mills has noted is that biscuits and muffins are fast becoming substitutes for toast.

Nabisco believes that it has contributed to the breakfast boom by offering foodservice operators product knowledge, marketing training and sales tools—and it plans to offer more of the same this year.

Nabisco has representatives in every sales zone whose only job is to help the restaurateur use and sell Nabisco products.

New breakfast products . . .

This year Nabisco is featuring three new frozen egg products—Royal break-o-morn, Fleishmann's table service and Royal egg ezc, which blends fresh whole eggs, whole milk and seasonings and has been quick frozen to retain freshness. The advantages of these egg products over shell eggs include cost, greater shelf life, consistent quality, labor-saving convenience and salmonella resistance.

With breakfast the number one growing meal occasion in 1981, many of the companies with breakfast products brought innovative ideas to the Show.

Also on the Show floor were equipment innovations and menu ideas that could spruce up breakfast sales. These ranged from an automatic juicing system that uses a solid-state electronic brain to automatically control the production and merchandising of freshly-squeezed orange juice to pointers from the American Dairy Association (ADA).

"Making milk part of a breakfast unit actually encourages multiple beverage sales opportunities. ADA tests have shown that consumers don't think of milk as being a substitute for coffee or tea," explained one ADA representative. Milk also can be combined with fresh or frozen fruits to make drinks or toppings for cereal.

Computers: Shopping sensibly for a system

Modern computers can't hop, skip or jump—but almost. Whether your sales approach $200,000 a year or top one million dollars, there is a computerized foodservice system for you.

What should you look for in a system? According to the 14 exhibitors at the NRA Show, flexibility, productivity, service and cost justification are the key ingredients.

Each piece of equipment offers different functions, so you should shop hard before making a decision.

The most basic front-end system is the cash register that offers sales records by item. More complicated systems keep inventory records, time cards, personnel records and sales per 15-minute period, and they are able to chart this information against records from previous years on a full-color screen. Still other systems monitor and control sales, inventory and environmental controls and allow instantaneous communication between all operating units and corporate headquarters.

The most important things in shopping for a system are deciding what your needs are, comparing what's available and not being intimidated by your lack of knowledge.

According to Dr. Michael Kasavana, who taught NRA's computer seminar at the Show, the major fault of computer sales personnel is that they undersell their products. To keep prices down, their bids may not include all the equipment you need to run a smooth system, such as enough registers or a printer to run out reports.

If you are thinking of buying a particular system, ask for a cost justification. One exhibitor at the NRA Show explained that their fairly sophisticated foodservice management system can be cost justified in two months if your sales are $750,000 and in one year if sales are $500,000.

Watch out for the general merchandising computer system not set up for the hospitality industry. It is also important to have the software tailored to your individual needs so you don't have to spend the time and money programming a new system.

For a list of suppliers write NRA's Information Service and library.

It's goodbye to the standard time clock, if computer companies make the inroads they expect.

New wine trends

U.S. wine consumption is at an all-time high. According to wine distributors, vineyards and importers exhibiting at the NRA Show this year, the variety of wines being introduced on the domestic market will spur sales even higher in the months to come.

Cashing in on the popularity of light beer, many American vineyards are introducing light wines with only seven percent alcohol. Vineyards, set up with tasting booths throughout the expo floor, were highlighting their new light Chablis and introducing light Rose and Rhine which are scheduled to appear on the market this summer and fall.

Vineyards believe these wines—also light in taste and calories—will open up an entirely new market in America. For restaurants, they will be strictly an add-on market and will not interfere with the sale of vintage wines. It's an entirely separate market, according to Shanyne Wadsten of the House of Seagram. Wadsten bases her observation on a Seagram's survey of 12 market areas.

Many of the well-known vineyards are making a real play for this new market and are increasing their advertising budgets dramatically. Alamaden Vineyards, Inc., for example, increased its advertising budget to $15 million in 1982 from $5 million in 1980.

If you are interested in trying these new wines, ask your distributor about table tents and other point-of-purchase advertising. Most of the vineyards will try to supply everything you need to boost sales—they are that committed to making the new wines a success.

More fine wines . . .

Americans are becoming more sophisticated wine drinkers as they consume more. Therefore many domestic vineyards are also focusing at the other end of the wine spectrum and developing fine vintage varieties to keep up with more savvy American taste buds.

Sabastiani—at the NRA Show for the first time—said it was there "to beat the competition." Many restaurateurs stopped to taste Sabastiani vintage Pinot Noir, Zinfandel and Barbera. Alamaden also boasted about some of its new vintage wines.

There are changes in the import market as well. Sam Leavitt of Direct Import Wine Company—also exhibiting at the Show—said that the fine Italian wines are making the biggest splash. The reason, says Leavitt, is that the Italians have begun producing much cleaner tasting red wines at reasonable prices and have found an appreciative audience in the U.S.—especially during the past year.

NC
FLEISCHMANN
DISTILLING COMPANY
TASTING CENTER

The explosive interest in wines has led many companies to develop new products—and Show registrants had plenty of opportunity to sample the new blends.

Cashing in on the popularity of arcade games

The popularity of PAC-Man and other arcade games has sparked a greater interest in restaurant entertainment—if the number of Nickelodean pianos, kiddie rides and video game booths at the NRA Show are any indication.

Many restaurateurs are rediscovering the charm, the fun and the profit of the Nickelodeon or player piano which has been in existence since the late 1800's.

Kiddie rides are also experiencing a revival, especially in family-style restaurants. According to Thomas Leon, president of the North American Amusement Company, the rides cost between $900 and $3,500, but no ride takes in less than $200 a week.

Hospitality: putting a smile on

NRA News chats with new NRA President

John Dankos was elected president and chairman of the board of the National Restaurant Association at the NRA Show in Chicago. To Dankos this honor fulfills a very rewarding career — a career that had its roots in a coal-mining town in Pennsylvania some 40 years ago.

John Dankos' ties to the foodservice industry began in high school when he helped his father, who ran a restaurant for the Interstate Company at the railroad station in Wilkes-Barre, PA. After school Dankos worked the trains as a "news butcher," selling cokes and peanuts.

When he was graduated, he worked in the restaurant itself, doing all the chores — from dishwashing to waiting tables. After a tour of duty in Korea, Dankos went back with Interstate as a manager and worked his way to regional superintendent where he had responsibility for three large turnpike operations, four restaurants and the gift shop concession at the Philadelphia airport.

In 1962 Interstate (now called Host, Intl., thanks to the name created by Dankos' wife and partner Theresa) decided to pull out of the Richmond area. That's when Dankos made a decision to strike out on his own. He built his first Aunt Sarah's House of Pancakes and Steaks.

Today, 53-year old Dankos owns eight restaurants in Richmond, VA. Seven of them are pancake houses and the eighth is what he calls his "monument" — Stanley Stegmeyers's Hodgepodge Restaurant that features 15 theme restaurants in one. Dankos also owns and operates two hotels. The secret of this success, he claims, is good training, hard work, doing something that he loves and the rewards of working with his wife.

At the NRA Show, NRA News *talked with the new president about his career, his plans for the upcoming year and the advice he would give to those just starting out in what he calls "the greatest industry in the world."*

NRA News: At a press conference this afternoon you mentioned that your sales weren't suffering as a result of the economy. How do you account for this resilience?

Dankos: We're constantly thinking of satisfying our customers and holding down our prices to give them quality for the least amount of dollars that we could possibly give. And I think we're consistent in the product, the service and the hospitality. The hospitality is most important. We want to make people feel welcome and we have good training programs for our employees. From the time they join our company — whether they're a waiter, a manager, or a dishwasher, they have a training program just for them.

NRA News: You mentioned that hospitality was most important. Is that something you would like to emphasize this year as NRA president?

Dankos: Absolutely, yes. Thad Eure started *Project Hospitality* a couple of years ago when he was NRA president, and I'd like to bring it back stronger than ever this year. We need hospitality. When you see your customers in the morning—instead of standing there with a menu in your hand and staring blankly, you should be there and say, "Good morning, how are you? Glad to have you with us." So I think you will see a real emphasis on improving each individual outlet's hospitality performance.

We are discussing two different seminars — one to train managers to train employees and one to help restaurant operators train their employees directly. We want everyone to know — from the dishwasher to the chef — that they're part of one of the greatest industries in the world and that they're part of an industry that is really important to the American people. Despite their problems, more and more people are eating out. So when they go out, they want to relax, they want a little kindness and tender loving care. And I think that is

what we're all about: putting a smile on everybody's face if possible. The success of our business will always depend on how warmly our employees treat our guests.

NRA News: What other areas will you be focusing on this year?

Dankos: Government affairs is so important that we're putting together a new project called "Adopt a Congressman." It is the voter back home who has the greatest influence on a congressman. That is why I think our members should get to know their congressmen and invite them to lunch or dinner when they're in town to get to know them personally. In this way we can develop a network of key contacts that can become the cornerstone of the kind of grassroots lobbying program that will guarantee that the needs of our industry are considered when laws are made.

Although Congress makes the laws, we're the people who have to live by the laws they make. So why not have a say? They work for us. That's the way I look at it. They're in Washington to try to do things for us — that's why we send them there. We have to let them know we're here and that we're a very

important industry. They're not going to agree with us on every issue. By the same token, we're not going to agree with them all the time. But at least they will be informed about foodservice issues.

NRA News: Do you have plans for NRA's educational programs?

Dankos: I think we're going in the right direction by cutting some of the programs that were not popular and concentrating on the ones that are important to our members. Education is an important part of the National Restaurant Association. I am also very excited about the new national conferences we are scheduling. These are not seminars, you know. They are two-day conferences for management — one on promotions, one on food purchasing, one on alcoholic beverages.

I remember that when Theresa and I first went into our own business, one of the first things we did was to join NRA because I knew about the bank of information that this association had. I got a lot of help from the NRA when I first started out.

NRA News: You're the past president of the Virginia Restaurant Association, and a lot of people really consider you a dean in your state and in state relations. Is there anything that you think NRA can do to better serve state groups?

Dankos: I think we have a closer relationship now with our state groups than we have ever had before; I really do. I've just talked with the state association group here at the Show (ISRAE)[*] and I felt good with them, I felt comfortable, I felt at home. I think that they know they can come to us or pick up the telephone. We're here ready to do anything we can. We want to pass on new ideas we have and to hear about their ideas. The line for communication is constantly open.

NRA News: What advice would you share with those just getting started in the foodservice industry?

Dankos: If you're just getting started, worry about friendly service and quality food. Join NRA and get to know about its hospitality program. Start preaching hospitality on every corner, to every employee you have.

Make sure you give your customers the best quality you can possibly give them at the best price. That's if you want to stay on that corner for any length of time. You're not going to fool them. From the womb to the grave, everyone's really a cook anyway. You're in the kitchen watching your mother fix eggs; and before you know it, you're six or seven years old and you're fixing an egg. And toast. So you know all about an egg and toast.

What other industry is like that? I don't know anything about a car except that I drive one, and I'm 53 years old. But I'll tell you one thing, my daughters and sons know how to fix their breakfast or a sandwich.

So you can't fool your guests — don't think you can. If somebody orders a BLT, you better make damn sure that you have bacon on there. Don't think you're going to get away with lettuce and tomato and one-half slice of bacon for $4. If you do, you've got a surprise coming.

NRA News: Do you think that there is a lot of opportunity in the foodservice industry?

Dankos: Absolutely. It is the greatest industry there is. The opportunity is just starting. The foodservice industry touches everybody, everybody on earth. If you're born and you're here, the foodservice industry touches you every day. Many times a day. You're in the right business. People have got to eat to say alive. They can drive their cars for an extra two or three years, but they can't hold that hamburger for an extra two or three years. They buy another one.

So, you see, the opportunity is there. When I was working for Host, I never thought that one day I would be leading this industry. I'm glad to be able to do it here in America — let's face it, this is the greatest place on earth.

“The success of our business will always depend on how warmly our employees treat our guests.”

---

[*] *International Society of Restaurant Association Executives*

Getting into the swing of things...

Flip Wilson and Doc Severinsen topped off the social events at the Grand Banquet. Other Show capers included a 50s night with Danny & The Juniors and The Coasters as well as a country and western night that featured David Frizzell and Shelly West.

The 1982 NRA Show picked up speed with "The Main Course" 10-kilometer race along Chicago's lakefront. More than 2,000 runners competed in this year's event.

NRA-TV TODAY!
NEWS TEAM ON LOCATION
WATCH US

It was easy to stay in the swing of things with "NRA-TV Today," one innovation at this year's Show. The up-to-the-minute news magazine was broadcast live to more than 14,000 Chicago hotel rooms—twice in the morning and twice in the afternoon. It featured activities, exhibits, social events and interviews.

Receptionists in many of the Chicago hotels wore uniforms to make restaurateurs feel welcome. At Chicago's Palmer House the staff wore chef's jackets and hats.

Ringside cooking, dining and critiquing

Imagine this scenario. The camera pulls in on an elegantly-set table, surrounded by four expectant diners. The waiter, in black tie and tails, begins to serve a gourmet meal worthy of the finest of restaurants. After the artichoke and seafood salad and two other courses, comes the entree. At precisely the same moment, the waiter and his captain remove the covers of all four dishes. The diners gasp and then you hear the applause. As the camera pulls away, you see hundreds of onlookers surrounding the table.

Dramatic? yes. Far-fetched? no. This scene was repeated several times at the NRA Show. Although there were no cameras, the crowds were there—all eager to see the meals being judged in the first Hot Food Competition.

This was the first time in the U.S. that a chef could win a medal from the American Culinary Federation Olympic standards.

Olympic standards...

It was a rigorous competition, conducted in accordance with the culinary standards of the U.S. Olympic team tryouts. Twenty-four master chefs raced against the clock in unfamiliar surroundings to prepare gourmet food as efficiently as possible. They competed against a 40-point standard, rather than each other, and each had a chance to win a gold medal.

Crowds of restaurateurs flocked around the almost perfect kitchen to watch the chefs in action. Four chefs at a time worked in the state-of-the art facility, designed specifically for the Show by the NRA technical committee and equipped by NRA members. With plexiglass around the periphery, it was easy to trace an egg from its shell to a meringue.

Not only were Show attendees hovering around the kitchens but so were apprentices, whom the chefs had not met before. The judges were there, too, to rate the contenders on their efficiency, cleanliness, organizational skills, energy consciousness and supervisory ability.

The presence of an audience added an edge of sportslike competition, the chefs said later, to a situation that was already crackling with the fervor of an Olympic heat.

For each chef, the competition began with a mystery box of ingredients, overflowing with more than could be prepared at one time. The contents were carefully selected so that the ingredients were not readily compatible, to force the chefs to plan imaginative dishes.

To complicate the task even further, the chefs had only 30 minutes to plan a menu that, at the very minimum, required three courses and often included as many as five. Once the team of six U.S. Culinary Olympic Team tryout judges approved the menus, the chefs had five hours to prepare their meals for the judges and 15 invited guests.

When the finishing touches were put on the gourmet entrees, the action shifted to the dining room in front of the exhibition kitchen. Once again the crowds gathered, this time to watch the reactions of the judges and diners and to observe some of Chicago's finest waiters in action.

Transplanted restaurants...

Several of the more elegant Chicago restaurants brought a sample of their dining experience right to the exhibition floor: They replicated their well-known place settings, brought their most expert captains and followed their well-practiced serving techniques.

At one table, the Ritz Carlton's famous blue German china sparkled against crystal glasses and silver with the dining room's insignia. Captain Nabil M. Azo, unruffled by the riveted crowds, scrupulously followed the restaurant's French service, served food piping hot, anticipated the dining needs of his guests and brought finger bowls at the end of the meal. It took a great deal of concentration, Azo confessed, to screen out the crowds and mentally recreate the intimate dining experience he builds in the Ritz Carlton.

A guest at Azo's table made a similar mental effort to ignore onlookers. The crowds, she said, made her feel as though she were "a have before a crowd of have-nots. Every morsel was being followed from my plate to my mouth, every expression was being

The U.S. Olympic team tryout judges sampled four multi-course meals, twice a day, looking for winners in the first Hot Food Competition. Inquisitive crowds tried to second-guess the scores.

scrutinized, every gesture of the knife and fork studied for my impressions. If the food weren't so wonderful, it wouldn't be worth the discomfort of being on stage."

The judges, however, had no trouble screening out the crowds. Unlike the invited guests, they were not distracted by colorful place settings or artful service. All dishes were served on plain white tablecloths. While the diners were encouraged to savor their meals, the judges merely sampled—every course in every menu. They rated the food on overall compatability of dishes and compatability of elements in each course, as well as on presentation, workmanship, creativity, flavor, texture and color. The final score reflected the impressions of all six judges and also included the score each chef earned during the preparation stage.

Four gold winners...

Of the 24 contenders in the Hot Food Competition, 21 earned medals. Four chefs earned gold medals, reflecting a score between 36 and 40 points; 11 earned silver medals for scores between 30 and 36 and six chefs earned bronze medals for scores between 24 and 30.

The gold-medal winners were Siegfried Eisenberger of The Opryland Hotel in Nashville, Tennessee; Siegfried Stober of Joliet Junior College in Joliet, Illinois; Christian Riviere of Lake Geneva, Wisconsin; and Vincenzo Varvaro of Silvio's in St. Louis, Missouri.

According to Ferdinand E. Metz, president of the Culinary Institute of America and spokesman for the judges in the competition, the contest "boils down to a sense of cooking. It gives chefs, who have stayed away from the cold food competition, a chance to express their expertise. Although the crowds add more pressure, that's what happens at the Olympics. And there you are not only representing yourself, you are also representing your country."

NRA's Hot Food Competition is the first step in the thorough search for members of the U.S. Olympic culinary team.

The Seminars: Management know-how, cafeteria-style

Not only does the NRA Show provide state-of-the-art information on the exhibit floor. It also gives Show participants a chance to sharpen their management skills with the latest facts and ideas on foodservice issues. This year there were workshops and panels that covered such topics as food purchasing in today's economy, seafood consumption in restaurants, managing people for profit and successful wine merchandising by the bottle.

These programs varied in length to provide registrants with the greatest flexibility in planning their Show schedules. Here are some highlights from several of the sessions. For complete transcripts of Show workshops, contact NRA's Chicago office at One IBM Plaza, Suite 2600, Chicago, IL 60601. A list of available cassettes can be found on page 31 of this year's *Exhibit Guide and Program.*

Dozens of industry professionals, consultants, chefs, authors and educators were on hand throughout the Show to talk about the needs and problems of restaurateurs. Seminar speakers included (from top to bottom) Art Holst on motivation, Diane Davis on women networking in foodservice and John Wareham on managing people for profit.

A seminar sampler

How restaurants came to be

Did you know that the French Revolution of 1789 indirectly gave birth to the restaurant? According to C. Northcote Parkinson, Parisian chefs suddenly found themselves out of work because their masters were either killed or exiled. So they banded together and built the restaurants of Paris.

Parkinson reviewed the history of the hospitality industry in his session Small World, named after his book that traces the evolution of inns, restaurants and hotels.

Parkinson is best known for developing Parkinson's Law about work expanding to fill available space—a topic he also covered at the Show.

Jorie Lueloff, award winning television commentator, tried to uncover operating secrets from some of the owners of Chicago's "in" restaurants. She moderated the popular panel, "Dining out—Chicago style."

Negotiating with ease

How you negotiate is more important than what you are negotiating, Herb Cohen told an overflow crowd at his NRA seminar, "Negotiation: How you can win them all."

Look for ways to work things out so that the end result will meet your needs and the needs of the other party. Pretense, facades, and an attitude of winning at someone else's expense don't work, he said. Instead, you should start collaboratively.

The advantage of starting out with a noncompetitive attitude is that it makes the other party more willing to work things out. It forces them to invest time, energy and emotions—and investment gives you an upper hand. No one likes to walk away empty handed after they have put time and effort into a negotiation. This applies even to the most aggressive of opponents. "Many gladiators see decency as a sign of weakness, but this means that they invest more than ever," explained Cohen. So don't be guided by the other person's attitude.

Instead, communicate simply—stir emotions when you can and frame issues so everyone can understand them. Be optimistic, self-assured and pleasant—people like to identify with optimistic people. Keep your discussion low-keyed and never say, "take it or leave it"—people like to have options. Finally, try to look at negotiation as a game—you are always at an advantage if you can take some distance. If you don't allow yourself to become too emotionally involved, you are less likely to make hasty decisions or compromises.

Planning successful restaurant lighting

"The mark of a professional lighting job is the absence of distracting glare and a minimum awareness of where the light is coming from," said Frank F. LaGuisa of the General Electric Company in Cleveland, Ohio, at the NRA Show seminar on lighting.

Since LaGuisa believes that lighting effects must be seen to be appreciated, he took his audience on a slide tour of lighting.

LaGuisa showed how ambiance is created by lighting and discussed the pros and cons of incandescent lighting—friendly, flattering, familiar but inefficient.

He also described recent advances in florescent lighting and recommended that restaurants give florescent lighting a chance because it consumes less power produces far better color and is between 15 to 20 percent more efficient.

Training begins with a job analysis

"Training should be kept simple," Lewis C. Forrest told restaurateurs during the seminar on task analysis. Forrest of Hospitality Consulting Associates in Greenville, North Carolina, said that the two major ingredients of any training program are job descriptions and job evaluations.

A job description specifies what tasks an employee must perform in order to do the job well. These tasks must be described in specific terms so that employees can understand how things should be done.

As vital as a job description in any training program is a fair system for evaluating job performance. It should be based on job descriptions.

Periodic evaluations let employees know how they are doing. They help reinforce those tasks employees do well and help to change poor work habits before they become ingrained. Job performance evaluations also build morale because they let employees know you care.

Insights into insurance

Insurance. You pay a lot of money for it, but is it adequate? Hank Laskin, president of Commercial Insurance Agency in Monterey, CA, advised restaurateurs at the NRA Show to review their insurance policies every 18 months to make sure they are getting enough protection.

Some items likely to change from year to year include the value of the building that houses the restaurant, the cost-of-replacing equipment and the labor costs involved in carpeting, plumbing and installing electricity.

The seafood picture

Because people are still reluctant to prepare and serve fish at home, seafood continues to be a natural product for the foodservice industry. According to Lee Weedig, lobbyist for the National Fisheries Institute (NFI), 65 percent of all fish in this country is prepared by foodservice operators.

The outlook for fresh fish in 1982 is promising, Weedig told restaurateurs at the NRA Show. Fish supplies should be up in almost all categories. Part of the reason is a new open fishing policy that removes fishing quotas; another is a restructuring of the Pacific king crab fleet to bring in ground fish, such as cod. Although fish supplies will be up —and salmon, in particular, is forecast to have a recordbreaking year, frozen products still provide continuity of supply and price as well as inventory control.

Before you decide what fish to buy and in what quantitites, you must know your market. Weedig recommended a new demographic study by the National Fisheries Institute which is scheduled to be published this month. According to Weedig, the study shows that inland states have the most marketing potential because, as expected, the largest numbers of seafood diners can be found in the coastal states and in New England. The study also looks at other factors such as income, race and religion.

Once you determine that seafood has the potential of being popular with consumers in your area, you must develop purchasing savvy. "Find out what you are getting for your money," cautioned Weedig. "Know your suppliers, and check the product and its quality."

Some things to look for, said Weedig, are breading levels (fish is much more expensive than breading), species substitution (especially with flat fish varieties) and weight (make sure you are not paying for water used to glaze the fish). It's also a good idea to keep an eye on quality by occasionally tasting the product.

Fresh food is not always better

"When you run a kitchen, you are running a factory," said Lendal Kotschevar, author of *Quality Food Purchasing* at the NRA seminar, "Food purchasing in today's economy." You are taking raw materials and turning them into a finished product," he continued. "The cardinal rule is to buy for production."

Many restaurateurs make the mistake of buying only fresh products in the belief that they are purchasing the best ingredients for their cooking needs. This can be a great waste of time, energy, money and even quality.

For example, Kotsehevar cautioned against using fresh milk in baking products when dry milk is just as good and much less expensive. He also said frozen eggs make a better meringue than fresh eggs.

Why spend money on labor and energy you don't really need? "When you buy whole tomatoes for a dish that doesn't need them, you are wasting the labor it takes to peel and cut them up and the energy to cook them," he explained. "This is unnecessary when you can buy cooked, canned tomatoes at a lower price."

Don't forget the cost of labor

Your management techniques might be outdated, warns Charles Levinson of the University of Nevada. In his seminar, how to update your food and beverage operations, he explained that for too long foodservice operators have been guided by food cost percentages. These percentages may no longer be valid, he told restaurateurs at the NRA Show.

To determine the real cost of food, you need to consider the cost of labor involved in food preparation. For example, 10 pounds of raw shell shrimp may at first seem to cost less than 10 pounds of peeled, deveined and cooked shrimp. But until you consider the yield of raw shell shrimp (approximately 6.3 pounds) and the labor cost involved in deveining and cooking shrimp, you really can't tell which product is cheaper.

Levinson also encouraged restaurateurs to think about their menu-pricing strategies. Although a filet mignon may cost a few dollars more to purchase than a chicken, it doesn't cost one cent more to serve, he said. By dropping the price of filet mignon and other similarly high-priced items, you stand to increase your volume and hence your profit.

Managing people for profit

"People are the critical element in any business, says John Wareham of Wareham Associates. "No matter what you pay anyone, it's a $25,000 investment on the outset."

At the management clinic on managing people for profit, Wareham advised restaurateurs to take longer to hire employees because it's easier to hire than it is to fire someone.

According to Wareham, you should recruit a team of people who are

- stable, so you have as little turnover as possible
- industrious, so you can get the job done
- self-reliant, so they can initiate solutions to problems
- enthusiastic about the job, so they are self-motivated
- willing to be part of a team, so that the whole reflects the sum of the parts
- loyal, so that they serve your interests rather than their own.

Taking a bow at the Show

John Wellerding and Peggy Schott had the fastest overall times in "The Main Course" race. Winning in the attendee category were Octavia Diaz of the Henry Lee Co. in Miami and Deb Donovan of Lakeside Medical Center in Chicago. Exhibitors finishing first were Gary Kingham of the Doskocil Sausage Co. in Hutchinson, KS, and Geraldine Powers of Cain-Powers Architectural Arts Glass in Richmond, VA.

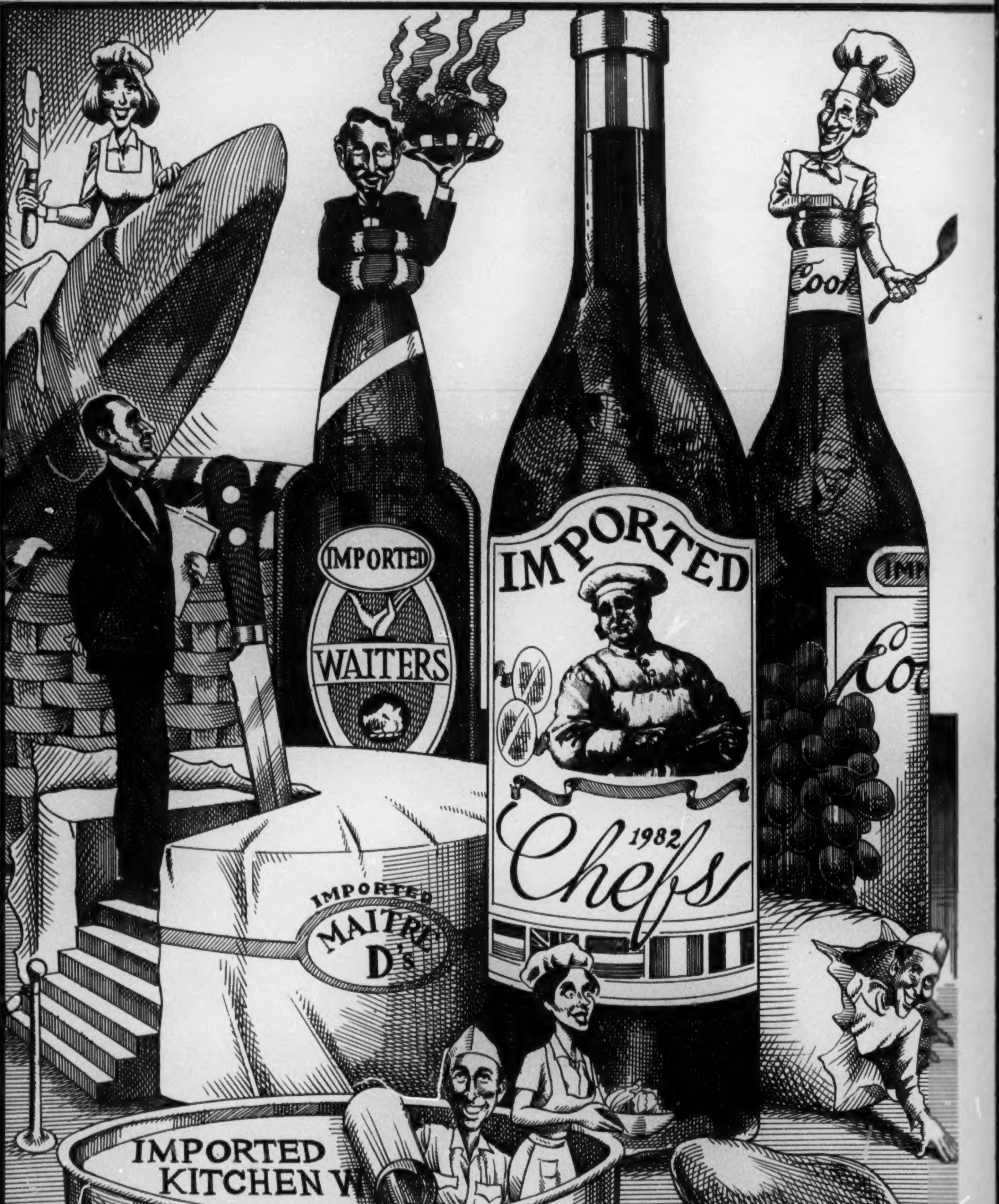
TRANS WORLD AIRLINES
New York

Bob Kramer of Two Nice Guys Restaurant, Inc., in Kirkwood, MS, left the NRA Show with a fabulous vacation, sponsored by NRA and provided by TWA and Hyatt Hotels. The vacation includes 10 nights in five cities—New York, New Orleans, Boston, Chicago and San Francisco.

1982
THE BEST PIECE
OF THE SHOW
12TH ANNUAL
CULINARY SALON

Special award winners in the cold food competition were as follows: Grand prize of Show and grand pastry buffet award winner—United States Army Quartermaster School in Fort Lee, VA. The best piece of the Show award winner—Opryland Hotel in Nashville, TN. Most original piece of Show award winner—"Spice Boat" by Teruo Kinoshita of the Hamilton Hotel in Itasca, IL. Judges special award winner—Opryland Hotel in Nashville, TN.

U.S. Air Force dining installations in California, Georgia and Colorado won 1982 Hennessy trophies as the best airmen's multiple unit category and the U.S. Air Force Academy in CO took honors in the single-unit judging.


Cook
IMPORTED
WAITERS
IMPORTED
1982
Chefs
IMP
Coo
IMPORTED
MAITRE D's
IMPORTED
KITCHEN W

IMPORTING PEOPLE

How to employ aliens

The following interview with Michael Maggio by Roberta Sabban may aid restaurateurs who are considering bringing chefs in from foreign countries to work in their kitchens.

Michael Maggio practices Immigration Law in Washington, DC. He is an adjunct professor of Immigration Law at the Antioch School of Law, a member of the American Immigration Lawyers Association, and he works with the National Lawyers Guild's Immigration Project.

Q: What are some of the basic things a restaurateur should know about the Immigration and Naturalization Service?

A: First of all, a restaurateur should know that restaurants are a primary target of Immigration and Naturalization Service (INS) agents searching for undocumented aliens. INS has limited resources and, like other federal agencies, they must show statistically that they are doing their job. INS cannot realistically stop people on the street and ask for their "green card" — evidence of legal resident status. It is a known fact that restaurants hire a large number — proportionally probably the largest number — of undocumented workers of any industry outside the garment and agriculture industries.

Q: Where can a restaurateur obtain information on his rights and responsibilities before the Immigration and Naturalization Service?

A: The first place to start would be the local bar association. Ask to be referred to an immigration lawyer.

Q: How does an INS raid usually take place?

A: If INS goes into a restaurant, the odds are they will find more than one person who does not have proper immigration documents. It is a very easy operation to pull off. INS will show up at a restaurant and station a few men in back, and INS officials enter through the front. It is quite common for them to come at 10:30 or 11:00 o'clock in the morning to ask permission to meet with the employees of the restaurant to discuss their immigration status.

Q: What are the restaurateur's rights?

A: The first thing that a restaurateur should know is that he is under no legal obligation whatsoever to let them in. Restaurant owners seem not to be aware that the Fourth Amendment of the United States Constitution protects, not only their homes, but also their places of business from "unreasonable searches and seizures." What that means, in every day language, is that no one can enter your premises without either your permission or a judicial search warrant. That is a warrant that has been signed and executed by a judge, giving specific authorization to search your premises. A warrant must name exactly what they are looking for.

Q: The warrant must name people specifically or undocumented aliens?

A: This is an important and interesting question that has been the subject of some litigation. The position of the Immigration Service is that when they are searching for aliens, it is an administrative search, like a health inspector showing up at a restaurant saying, "We would like to inspect your kitchen." Every restaurateur knows that a warrant is not required for a health inspection, and the courts have held that the Fourth Amendment is not violated through most warrantless administrative searches.

In a celebrated case here in Washington, DC, the owner of a well-known restaurant decided not to take the conduct of the INS sitting down. What happened there is very instructive.

The INS showed up at noon, when there was about five thousand dollars worth of business sitting in the restaurant. They announced loudly that they were from the Immigration Service and that they wanted to question employees.

The word spread quickly through the restaurant, and many of the undocumented workers started to run. Trays were dropped literally on top of customers' tables and heads.

The INS brought along a photographer and a journalist from the *Washington Post*. They got themselves a front page story of the great arrest they made chasing dishwashers and busboys down the street of the nation's capital. This apparently caused the restaurant to lose a substantial amount of income, not only that day but also thereafter.

Q: What can a restaurateur do to avoid a situation like that?

A: If the employees know that without a warrant the restaurant owner is not going to show the INS to the door, they won't panic.

IMPORTED
WAITERS

"No one can enter your premises without either your permission or a judicial search warrant."

Q: Is a restaurateur violating the law by hiring someone who is not a permanent resident, or who does not have authorization from the Immigration Service to work?

A: Presently, there is no federal law that penalizes employers for hiring undocumented aliens. The federal laws regarding harboring aliens do not apply to employment.

There are a number of states that have passed their own laws that make it illegal to hire someone who is in the United States without work authorization from the INS. However, experience has shown that enforcement of so-called employer sanctions has been minimal and the number of convictions even smaller. The fines, where there have been convictions, generally have been a thousand dollars or less.

At least one court has held that when an employer has filed an application for alien labor certification on behalf of an alien employee, the employer cannot be held liable for knowingly hiring an undocumented or illegal alien.

Q: What is happening in Congress on this issue?

A: It is possible that a federal employer-sanction law will be enacted during this congressional session. It would penalize employers who knowingly hire undocumented aliens. The idea met with strong bipartisan support. Sen. Alan Simpson (R-WY) and Rep. Romano Mazzoli (D-KY), respectively the chairmen of the Senate and House Immigration Subcommittee, have sponsored bills (S. 2222 and H.R. 4832) with a strong employer sanction provision. These bills provide more drastic penalties than the administration has proposed. To knowingly hire even one unauthorized alien would violate federal law. For three years, employers could rely on three forms of identifiers in screening applicants. Attestation to document examination would provide employers with a complete defense. The attorney general is given three years to develop a secure employment eligibility system to cover all applicants.

Because employer-sanction are currently a question of state law, every restaurateur should have a lawyer who is familiar with the law of the state where the restaurateur does business. It is important to know not only the law but also the practice of the law enforcement agencies in that state. For example, if there is a law on the books that makes it illegal to hire the undocumented, and no one has ever been prosecuted, the restaurateur should know this.

Legalizing an alien worker...

Q: What is the procedure to legalize an alien employee or bring an alien worker from abroad?

A: Obtaining an immigrant visa to the United States is generally accomplished in one or two ways: either through an alien having a very close relative who is a United States citizen or permanent resident, or through establishing to the satisfaction of the Department of Labor (DOL) that the alien has an offer for a job for which there are insufficient United States workers. This process is called Alien Labor Certification. Cooks and other types of chefs, including sous chefs, can generally obtain an alien labor certification from the Department of Labor, particularly if the restaurant offers something other than American cuisine. It is a generally accepted view by DOL that there are insufficient speciality cooks in the United States.

Formal waiters and sommeliers qualify in many instances. This varies from region to region with the Department of Labor. It is important to understand that although the immigration laws are federal, and although the alien labor certification process is administered by a federal agency, the Department of Labor and INS function at the local level with their policies and practices varying from state to state. Some of them are more reasonable than others.

For example, in Region 3, which encompasses Pennsylvania, Maryland, Virginia and the District of Columbia, a formal letter can be certified for that job because Region 3 of the Department of Labor believes that there are insufficient American formal waiters and that there is a special type of skill and competency involved in that job.

Region 3 is often willing to accept an Italian restaurant's representation that they have a business necessity for a formal waiter that speaks Italian. That may not be the case in Region 1, New England, or Region 2, New York.

Maitre d's can very often be certified. The key question is: Do you have a business necessity for the requirements you have placed upon U.S. workers applying for the job? Common sense indicated that a restaurant located near the United Nations has a large number of foreign clients. Such a restaurant is more than likely to have a business necessity for a Maitre d'hotel who speaks two or three languages. "Business necessity" must be documented.

Q: Can these employees come to the United States and obtain their Labor Certification or should it be done abroad?

A: It could be done in either manner as long as they are in this country legally.

Q: Even if he comes as a tourist?

"It is important to realize that the restaurateur is in the driver's seat with respect to immigration petitions."

A: Yes, even if he comes as a tourist, he can have an application for alien labor certification filed on his/her behalf. The labor certification process involves proving to the satisfaction of DOL that there is a *bona fide* offer of employment that is available to qualified United States workers at a wage compensated with the prevailing wage for United States workers. When the labor certification is approved, it is easy to apply for an immigrant visa.

Q: In some instances a restaurateur encounters a chef abroad whom he would like to work in his restaurant. Under such circumstances, can he bring that chef to the United States immediately?

A: Generally, yes. An employee can enter the country as a temporary nonimmigrant worker under an H visa, or he can enter as an H-1, if he can establish that he has distinguished merit and ability in his profession. This type of visa will entitle the employee to work in the United States temporarily.

To obtain such a visa, an application must be submitted to the Immigration Service office having jurisdiction over the employer's restaurant.

However, if that employee subsequently changes his mind, after entry, and decides to remain in the United States permanently, an application for alien labor certification can be filed on his behalf.

Q: With these temporary visas, would this person have the right to bring their spouse and children?

A: Yes, however, children must be under 21 and single.

Q: What happens if the restaurateur doesn't like the work of the chef?

A: It is important to realize that the restaurateur is in the driver's seat with respect to all of these immigration petitions. The employers are the petitioners, and the employees are the beneficiaries. A petitioner can revoke the petition at any time and for any reason.

Q: How long does this process generally take?

A: It varies from jurisdiction to jurisdiction. It can take any where from a few weeks to many months.

Q: What do the services of immigration lawyers cost?

A: These vary. Labor certifications and the processing of an immigrant visa for a chef will range from $2,000 to $7,000.

Q: Who pays the immigration lawyer, the employee or the employer?

A: That is a matter between the employer and the employee. Sometimes an employee who is particularly valuable to the restaurateur would insist that the restaurateur pay the fee. The restaurateur should keep in mind that if he pays $3,000 in lieu of salary to a lawyer, he gets a direct tax deduction that is an ordinary and necessary business expense. If he pays $3,000 to the employee, not only is the employee taxed on that money, but he also must make his contributions to the federal tax system as an employer.

For more information on the Immigration and Naturalization Service and bringing foreigners into the country to work, contact NRA's legal department.

STATE DEPARTMENT

Ohio Restaurant Association fights unjust syrup tax—and wins

In an end-of-the-year struggle to balance Ohio's budget, the legislators added a last-minute tax on soft drink pre-mix and post-mix syrups. In the following interview, Bob Henry, executive director of the Ohio State Restaurant Association (OSRA), discusses the syrup tax and his association's legislative battle to make the tax more equitable for all those who buy and sell soft drinks.

NRA: Why did Ohio turn to a syrup tax to raise revenue?

Henry: Ohio was faced with a deficit of close to $1.3 billion. Due to the recession and unemployment, the legislators had not raised the income they had expected from state sales and income taxes and were looking for additional ways to raise revenue. Several of our legislators exchanged ideas with other states that already had a form of tax on soft drinks and thought such a tax would make up for the deficit without affecting the entire public.

Q: How did the syrup tax become law?

A: Originally, the tax was to be on soft drinks in bottles and cans. However, Ohio bottlers and their lobbyists convinced the legislators to switch the tax to syrup because they said restaurant operators made a lot of money selling soft drinks and so could easily absorb the tax.

In a conference committee behind closed doors, the tax was changed from bottles and cans to syrup, then the tax was incorporated into the state's $12 billion budget bill. The next day the issue was on the floor.

We were able to convince enough senators to kill the bill on the first vote. However, during a recess three senators were persuaded to change their votes, so the entire budget bill passed.

Q: What has the syrup tax cost restaurateurs?

A: The syrup tax, designed to raise $59 million over a 20-month period, was supposed to cost one penny for each 12-ounce serving. It was not until after the bill passed that it became clear the tax would impose five or six cents per 12-ounce glass.

Q: Who were the proponents and opponents of the original syrup tax and why?

A: The proponents of the syrup tax were the soft drink bottlers. Some of them hired one-shot lobbyists to convince the legislators and conferees to switch the tax from bottles and cans to syrup. These lobbyists had met with legislators in other states who knew what effect a tax on soft drinks would have on bottlers. I feel the bottlers were very unethical in this legislative battle especially considering all the money they earn from restaurateurs who use their syrups.

The opponents of the tax were restaurateurs who felt the tax unjustly placed the entire burden on them. If additional sources of revenue are needed, a soft drink tax should be levied equally on bottles and cans as well as syrups.

Q: What is OSRA doing to repeal the syrup tax?

A: At first OSRA lobbyist Steve Henry met with state restaurant operators and state legislators to explain why the syrup tax unfairly places the tax burden on foodservice operators. The legislators understood that they had been misled on the syrup tax. They were with us on the repeal but wanted to know where we were going to come up with the $59 million that the syrup tax would raise. These meetings led to the drafting of H.B. 855.

This bill is designed to equalize the tax burden and to restore the tax to the original intent of the legislators which was to levy a penny tax on 12 ounces of soft drink. H.B. 855 lowers the tax to that amount by reducing the syrup tax from $2.75 per gallon to $.77 per gallon. It also levies a penny tax on 12 ounces of soft drink whether sold in a bottle, can or paper cup.

H.B. 855 will raise more revenue than the original tax since it will bring in $60 million per year instead of $59 million over a 20-month period. There is also a repeal written into the bill that would take effect June 30, 1983.

Q: What lobbying techniques are being used by OSRA to enact the broad-based soft drink tax?

A: Many of our small operators and some good lobbyists from several major chains are supporting us in our effort to get H.B. 855 enacted. The bill has been incorporated into a new budget tax bill, amended substitute, S.B. 530, which is designed to alleviate the $1.2 billion deficit that still exists.

We tried to get a coalition organized with the bottlers to support H.B. 855 but they weren't interested in a repeal through the Ohio legislature. Because they wanted to avoid being taxed, they asked for a repeal through the Common Pleas court. The court declared the excise tax on syrup unconstitutional because it did not apply to all soft drinks equally—but the court allowed the tax to continue to be collected when an appeal was made by the state tax department. I believe that the appeal will probably go to the Supreme Court and that the tax will be upheld.

Q: Are you encountering any problems in your lobbying?

A: We will only win our effort to get H.B. 855 enacted if the restaurant industry works together.

Many restaurateurs are not in favor of H.B. 855 and are telling their legislators they want outright repeal. What they don't understand is that we're in an economic downturn and the legislators aren't willing to give up the $60 million that they will be getting from our industry. When the economy turns around, the legislators are willing to give us a repeal —and there is a repeal provision in the bill.

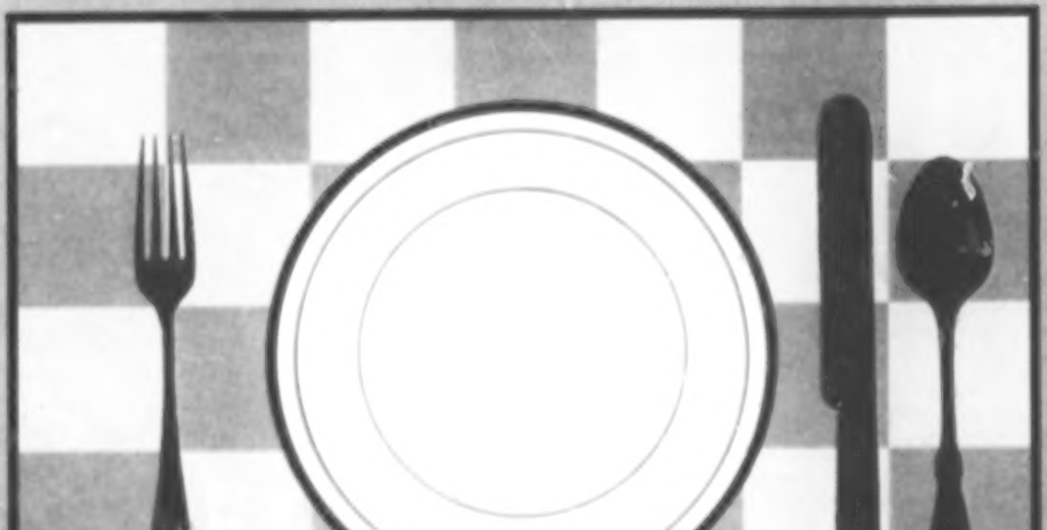
I feel that the biggest need restaurateurs have as an industry is to understand the legislative process, what their trade association really does and why they should listen to them.

Editor's Note: *As this issue of NRA NEWS went to press, OSRA was successful in getting the syrup tax repealed effective December 31, 1982.*

THE FOODSERVICE INDUSTRY

1980

IN REVIEW



The Foodservice Industry: 1980

This is the 13th annual National Restaurant Association report on the size and scope of the foodservice industry. It constructs a statistical framework for analyzing growth rates and understanding the relative importance of various market segments. It compares 1980 sales data with 1979 sales performance and discusses the effect of economic forces and other factors on industry sales.

For the first time, this report examines foodservice sales and purchases for major markets such as educational institutions, health care facilities and employee feeding programs. This was done to provide industry suppliers with the information they need to better serve the away-from-home market for meals and snacks.

When considering this report, please keep in mind that data are national in scope and do not show regional variations which can be substantial. The report covers only a two-year period. Percent changes noted here are thus not necessarily indicative of long-term trends. Individual firms can and do deviate significantly from the average percent changes indicated throughout the report.

Highlights

★ **Foodservice industry sales** totaled $114.6 billion in 1980. Although this represents an 8.7 percent increase over $105.5 billion in 1979, real sales (when adjusted for inflation) fell for the second consecutive year—down 0.6 percent. The recession, double-digit inflation and rising energy costs contributed to the poor performance.

Industry performance has picked up considerably since 1980.

★ The **proportion of the food dollar spent on food away from home** also declined slightly for the second straight year. In 1980, consumers allocated 36.5 percent of their food dollar to meals prepared outside the home—less than they spent in 1979 (37 percent) and in 1978 (38 percent).

★ **Consumer traffic** at the nation's restaurants dropped dramatically in the spring and summer quarters of 1980 —down 5.6 percent and 4.1 percent, respectively.

★ For the second consecutive year **menu prices** advanced at a faster pace than grocery store food prices—9.9 percent versus 8.0 percent.

★ Food and drink sales in the **Commercial Feeding Group** reached $96.6 billion in 1980—up 8.5 percent from $89 billion in 1979. However, when this figure is adjusted for inflation, real sales actually fell by one percent.

★ **Eating place sales** reached $67.7 billion in 1980. Although this figure represents an increase of 8.6 percent over the prior year, inflation-adjusted sales declined by one percent. This downturn follows a 0.7 percent drop in real sales recorded in 1979.

★ **Limited menu (fast food) restaurants** had the largest sales gain among eating places in 1980—10 percent. They were also the only eating place sector to record real sales growth in 1980—0.2 percent. This is well below 1979's gain of 1.1 percent.

★ Food and drink sales at **restaurants and lunchrooms**—establishments offering tableservice—reached $36 billion in 1980. Although this represents a 7.9 percent increase over sales in 1979, real sales growth (adjusted for inflation) declined 1.7 percent.

★ **Food contractors at colleges and universities** posted the largest sales gain in the foodservice industry in 1980—13.5 percent. Other segments which performed well include bakeries, ice cream stores, colleges and universitieis which operate their own foodservice as well as clubs.

★ **Institutional Feeding Group** sales reached $17.5 billion in 1980, up 9.8 percent from $15.9 billion in 1979. In addition, inflation-adjusted sales for this group rose 2.0 percent compared with an overall industry decline of 0.6 percent.

★ **Military feeding** experienced a considerable improvement in sales performance in 1980. Sales advanced 10.4 percent compared with a decline of 11.1 percent in 1979.

The statistical information and analysis presented here were prepared in consultation with the research firm of Malcolm M. Knapp, Inc.

Real sales fell. . .

Foodservice industry sales totaled $114.6 billion in 1980. Although this represents an 8.7 percent increase over $105.5 billion in 1979, real sales (when adjusted for inflation) fell for the second consecutive year—down 0.6 percent. This approximates the 0.5 percent drop recorded in 1979.

The Commercial Feeding Group experienced a one percent decline in inflation adjusted sales in 1980. The Institutional Feeding Group segment partially offset this decrease with positive real growth of two percent.

Overall inflation and the weak economy are the primary contributors to the poor sales performance. Inflation, as measured by the Consumer Price Index (CPI), rose at a faster rate in 1980 than in 1979—13.5 percent compared with 11.3 percent. Unemployment averaged 7.1 percent in 1980 versus a considerably lower 5.8 percent rate in the prior year. Real Gross National Product (GNP) was down 0.2 percent and real disposable personal income was up only slightly—0.7 percent.

As a result, consumers had a hard time maintaining their standard of living in 1980 and many cut back their discretionary spending. Record-high interest rates combined with credit controls, which were imposed in March, further curtailed spending. By the second quarter the economy was officially in a recession and by summer unemployment was rising.

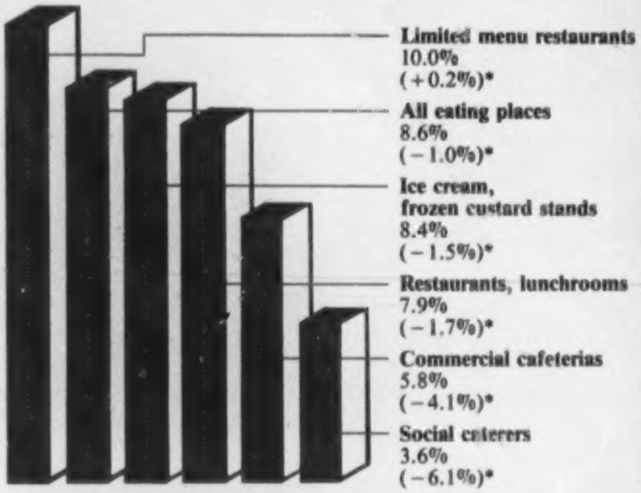
All this contributed to a decrease in restaurant customer traffic in 1980. After managing a slight increase in patron counts in January and February 1980, traffic at restaurants dropped dramatically in the spring and summer. According to CREST data, customer counts were off 5.6 percent in the March-April-May period and 4.1 percent in the June-July-August period. Although traffic picked up slightly during the last part of 1980, it was not enough to recoup the losses experienced in the spring and summer.

Menu prices rose faster than grocery prices. . .

Restaurant menu prices continued to outpace the rise in grocery store food prices in 1980 for the second consecutive year. The Consumer Price Index (CPI) for food away from home advanced 9.9 percent versus a considerably lower increase in prices for food at home of eight percent.

Wholesale food costs for restaurant operators rose at a slower pace in 1980, helping to hold menu price inflation below the double digit rate of 12.2 percent in 1979. Restaurant operators experienced a 5.0 percent increase in their food costs in 1980—considerably less of a jump than they experienced the year before (12.2 percent). Prices for beef and veal rose at a substantially slower rate in 1980 than in the prior year—3.2 percent versus 24.7 percent. Also contibuting to the moderate rise in wholesale food costs was a decline in prices for pork, fish and shellfish.

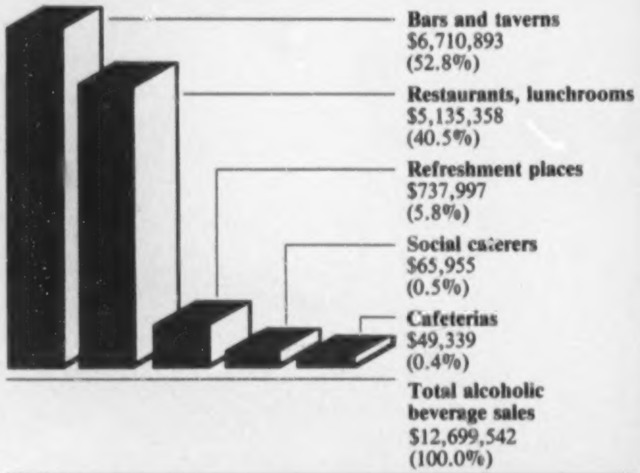
Percent change in sales growth for eating places 1979 to 1980 (current dollars)



Real dollars, adjusted for inflation

SOURCE: Malcolm M. Knapp, Inc.

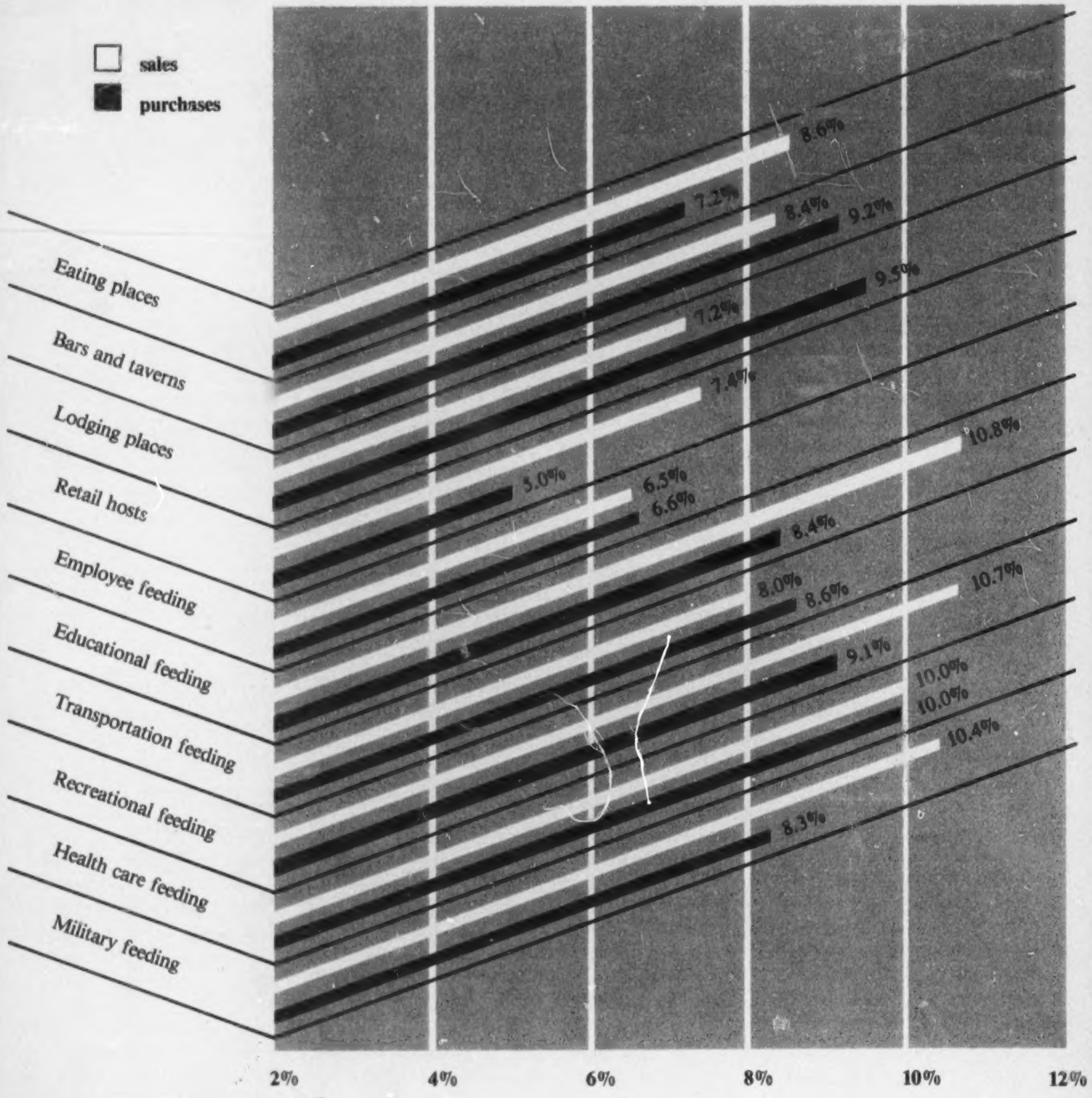
1980 Alcoholic beverage sales in eating and drinking places (000)



Note: Only those establishments with payrolls are included. Hotel, motel and motor hotel restaurants had combined alcoholic beverage sales of $1,789,042,000. Alcoholic beverage sales in other establishments totaled approximately $996 million in 1980.

SOURCE: Malcolm M. Knapp, Inc.

Percent change in food and drink sales and purchases 1979–1980



Sources: Malcolm M. Knapp, Inc.; National Restaurant Association

Spending on food away from home declined...

For the second consecutive year consumers increased their purchases from grocery stores at a faster rate than from foodservice operations. Real sales for foodservice were down 0.6 percent while real grocery store sales rose 2.2 percent.

The proportion of the food dollar spent on food away from home dropped in 1980 due to a decline in real expenditures at foodservice operations. Consumers allocated 36.5 percent of their food dollar on meals prepared outside their home, down from 37 percent in 1979 and a high of 38 percent in 1978. The proportion of disposable personal income spent in restaurants was slightly lower in 1980 as well, falling from 5.7 percent in 1979 to 5.5 percent.

Commercial Feeding Group sales reached $97 billion...

Food and drink sales in the Commercial Feeding Group—which accounts for 84 percent of the industry's $114.6 billion total—reached $96.6 billion in 1980. This represents an increase of 8.5 percent over 1979. However, when this figure is adjusted for inflation, real sales actually fell by one percent.

Food contractors at **colleges and universities** posted the largest gain in the Commercial Feeding Group in 1980 with an increase of 13.5 percent. Sales at **bakeries, butcher shops** and **ice cream stores** followed with a 12.7 percent rise. **Drive-in movies** and **social caterers** experienced the smallest growth in the Commercial Feeding Group, with gains of 3.3 percent and 3.6 percent, respectively.

Sales in the Institutional Feeding Group rose 9.8 percent in 1980, reaching a total of $17.5 billion. Foodservice sales at both **public and private colleges and universities** had the largest gains—12.8 percent and 12.3 percent, respectively.

Eating place sales totaled $67.7 billion...

Eating places, including restaurants, lunchrooms, limited menu (fast food) restaurants, commercial cafeterias, social caterers, as well as ice cream and frozen custard stands account for approximately 60 percent of total foodservice industry sales. In 1980 sales for these establishments reached $67.7 billion, an increase of 8.6 percent over 1979's level of $62.3 billion. Inflation-adjusted sales for this category declined one percent in 1980, continuing the steady decline over the last several years. Eating places experienced real sales growth of 5.8 percent in 1977 and 2.2 percent in 1978 but declined by 0.7 percent in 1979.

Limited menu restaurants posted largest gain...

Limited menu restaurants, including most fast food establishments, posted the largest sales gain among eating places in 1980—10 percent. When inflation is taken into account, the real sales growth was 0.2 percent—larger than for any other sector but lower than last year's gain of 1.1 percent.

Although the rate of growth has slowed over the last several years, fast food continued to capture a greater portion of eating place sales and total foodservice sales. In 1970, limited menu restaurants accounted for 29 percent of eating place sales and 14 percent of total foodservice sales. In 1980, their share was 40 percent and 24 percent, respectively.

Fast food operators expanded their menus in 1980 as a means to increase patronage. Breakfast received more attention, and lower cost menu items, such as chicken, were featured at dinner to build traffic.

In 1980 fast food restaurant operators also increased their use of promotions in an effort to build customer traffic and sales. According to CREST data, promotional activity was highest during the fall and winter quarters, accounting for 11.8 percent and 11.7 percent of the occasions.

Restaurant and lunchroom sales down by 1.7 percent...

Food and drink sales at **restaurants and lunchrooms** —establishments offering tableservice—reached $36 billion in 1980. Although this represents a 7.9 increase over sales in 1979, real sales declined by 1.7 percent.

Among other eating place categories, sales at **ice cream and frozen custard stands** reached $1.3 billion in 1980, an 8.4 percent advance over the prior year. Growth has slowed considerably in this category over the past several years—sales posted an 11 percent increase in 1979, 16.6 percent in 1978 and 25.3 percent in 1977. **Commercial cafeterias** posted a gain of 5.8 percent with total sales of $2.2 billion. **Social caterers** experienced the smallest increase in this category in 1980—3.6 percent.

Sales at bars and taverns totaled $7.8 billion...

Food and beverage sales at all **bars and taverns** (with or without foodservice) rose 8.4 percent in 1980 for a total of $7.8 billion. This compares with a smaller, 7.2 percent, gain in the prior year.

Lodging place sales up 7.2 percent...

Food and drink sales at **lodging places** totaled $6.6 billion in 1980, up 7.2 percent from the prior year. This compares with stronger growth of 8.9 percent in 1979 and 12.4 percent in 1978. Room prices rose 16 percent in 1980 and occupancy fell from 72 percent in 1979 to 69 percent in 1980, contributing to this slower growth.*

---

*Lodging place figures for 1979 and 1980 have been revised to be consistent with recently released *1977 Census of Selected Service Industries*. Sales published here are not comparable with previous years. Revised sales figures for prior years will be presented in a future issue of "Foodservice Trends."

1980 Eating place sales and purchases

	Estimated food and drink sales (000)			Estimated food and drink purchases (000)		
	1979	1980	Percent change	1979	1980	Percent change
Restaurants, lunchrooms	[illegible]	[illegible]	7.9%	[illegible]	[illegible]	6.2%
Limited menu restaurants	24,936,227	27,434,837	10.0	9,043,325	9,842,465	8.8
Commercial cafeterias	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Social caterers	748,981	775,944	3.6	295,248	302,514	2.5
Ice cream, frozen custard stands	[illegible]	[illegible]	8.4	[illegible]	[illegible]	[illegible]
Total eating places	$62,318,555	$67,701,826	8.6%	$23,240,078	$24,993,120	7.2%

1980 Lodging places sales and purchases

	Estimated food and drink sales (000)			Estimated food and drink purchases (000)		
	1979	1980	Percent change	1979	1980	Percent change
Hotel restaurants	[illegible]	[illegible]	8.0%	[illegible]	[illegible]	32.4%
Motor hotel restaurants	742,518	791,227	6.6	282,544	271,413	−3.9
Motel restaurants	[illegible]	[illegible]	5.1	[illegible]	[illegible]	[illegible]
Total lodging places	$ 6,153,312	$ 6,598,812	7.2%	$ 2,076,479	$ 2,273,703	9.5%

1980 Retail hosts sales and purchases

	Estimated food and drink sales (000)			Estimated food and drink purchases (000)		
	1979	1980	Percent change	1979	1980	Percent change
Drug & proprietary store restaurants	$ 345,481	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
General merchandise store restaurants	50,232	52,643	4.8	19,088	19,478	2.0
Department store restaurants	[illegible]	[illegible]	5.4	[illegible]	[illegible]	[illegible]
Variety store restaurants	419,270	453,231	8.1	163,515	172,228	5.3
Food stores (excluding grocery)	[illegible]	[illegible]	12.7	[illegible]	[illegible]	[illegible]
Grocery store restaurants	633,242	705,431	11.4	234,300	253,955	8.4
Gasoline service stations	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Miscellaneous retailers	129,772	139,505	7.5	47,367	49,524	4.6
Total retail hosts	[illegible]	[illegible]	7.4%	[illegible]	[illegible]	[illegible]

Food and drink sales at **hotels** experienced the largest gain in the lodging place category in 1980—up 8.0 percent to $4.4 billion. Hotels increased their emphasis on foodservice and catering for conventions, which contributed to the gain. Nonetheless, 1980's increase was down from 8.9 percent in 1979 and 12.6 percent in 1978.

Sales at **motor hotel restaurants** totaled $791 million in 1980—up 6.6 percent from 1979. This compares with a somewhat stronger 8.9 percent gain in the year earlier. **Motel restaurant** sales also slowed considerably in 1980, rising 5.1 percent to $1.4 billion. This compares with faster gains of 8.8 percent in 1979 and 11.8 percent in 1978. Gasoline price increases, coupled with slower gains in disposable personal income, forced many families to forego their summer vacation—and this hurt the motel sector.

Retail hosts sales totaled $3.3 billion...

Retail hosts, such as department stores and drug stores, are those establishments not primarily engaged in foodservice that incorporate a restaurant, cafeteria or snack bar within their location. Food and drink sales at these establishments totaled $3.3 billion in 1980, a 7.4 percent increase over the year earlier but less than the sales growth of 10.3 percent in 1979. Higher prices for most items changed how consumers shopped in 1980. They went to stores with a special purpose in mind: They did not 'browse' and were far less susceptible to impulse buying. As a result, they did not stay in the stores to eat.

Of all retail hosts, sales at **food stores, excluding grocery,** experienced the largest growth of 12.7 percent. Stores in this category include bakeries and ice cream stores.

1980 Employee feeding sales and purchases

	Estimated food and drink sales (000)			Estimated food and drink purchases (000)		
	1979	1980	Percent change	1979	1980	Percent change
Industrial & commercial organizations						
Food contractors						
• Manufacturing & industrial plants	$ 2,016,619	$ 2,121,483	5.2%	$ 939,744	$ 988,590	5.2%
• Commercial & office buildings	541,134	603,906	11.6	252,168	281,414	11.6
Institutional feeding	1,301,995	1,376,668	5.7	636,715	673,232	5.7
Subtotal	$ 3,859,748	$ 4,102,057	6.3%	$ 1,828,627	$ 1,943,236	6.3%
Sea-going ships (1,000 + tons)	52,003	55,919	7.5	31,202	33,551	7.5
Inland waterway vessels	181,296	202,649	11.8	108,778	121,589	11.8
Total employee feeding	$ 4,093,047	$ 4,360,625	6.5%	$ 1,968,607	$ 2,098,376	6.6%

1980 Educational feeding sales and purchases

	Estimated food and drink sales (000)			Estimated food and drink purchases (000)		
	1979	1980	Percent change	1979	1980	Percent change
Colleges & universities						
Contractors	$ 1,004,381	$ 1,139,972	13.5%	$ 355,541	$ 396,713	11.6%
Institutional						
Public	1,440,101	1,625,118	12.8	705,808	782,388	10.8
Private	599,247	672,954	12.3	$ 342,434	377,910	10.4
Subtotal	$ 3,043,729	$ 3,438,044	13.0%	$ 1,403,783	$ 1,557,011	10.9%
Primary & secondary schools						
Contractors	576,790	628,966	9.0	282,627	305,237	8.0
Institutional	2,136,253	2,312,195	8.2	2,906,886	3,117,110	7.2
Subtotal	$ 2,713,043	$ 2,941,161	8.4%	$ 3,189,513	$ 3,422,347	7.3%
Total educational feeding	$ 5,756,772	$ 6,379,205	10.8%	$ 4,593,296	$ 4,979,358	8.4%

1980 Transportation feeding sales and purchases

	Estimated food and drink sales (000)			Estimated food and drink purchases (000)		
	1979	1980	Percent change	1979	1980	Percent change
Airlines						
Contractors	$ 476,067	$ 512,914	7.7%	$ 228,507	$ 246,188	7.7%
Institutional	441,334	475,494	7.7	219,837	236,848	7.7
Subtotal	$ 917,401	$ 988,408	7.7%	$ 448,344	$ 483,036	7.7%
Passenger/cargo liners	103,614	115,664	11.6	56,988	63,615	11.6
Railroads	31,631	32,775	3.6	21,768	25,654	17.8
Total transportation feeding	$ 1,052,646	$ 1,136,847	8.0%	$ 527,100	$ 572,305	8.6%

Grocery store restaurants, which include convenience stores, came next with an 11.4 percent increase in foodservice sales. Although this advance is significantly less than the 17.9 percent gain in 1979, faster growth can be expected over the next several years as convenience stores continue to expand their foodservice offerings.

Gasoline service stations also experienced a dramatic drop in foodservice sales growth in 1980—5.8 percent versus 15.1 percent in 1979. This is due primarily to a decrease in real gasoline sales.

In 1980 food and drink sales at **variety stores** and **miscellaneous retailers** advanced by 8.1 percent and 7.5 percent, respectively. On the other hand, **drug stores, general merchandise stores** and **department stores** recorded foodservice sales growth below the 7.4 percent average for the retail host category.

Mobile caterers posted slower sales growth...

Mobile caterers posted a considerably slower increase in sales in 1980 than in 1979—7.4 percent versus 12.6 percent. This is due primarily to a 1.4 percent drop in construction employment and a 3.5 percent decline in employment at industrial plants.

Growth in food and drink sales by **vending and non-store retailers** in 1980 also fell below the 1979 level—7.7 percent compared with 10.3 percent. One reason for the the downturn: The recession induced layoffs in plants serviced by vending machines.

Sales for employee feeding totaled $4.4 billion...

Food and drink sales in the employee feeding category totaled $4.4 billion in 1980, up 6.5 percent from $4.1 billion in 1979. Sales on **inland waterway vessels** posted the largest increase in this category—11.8 percent, somewhat slower than the 14.1 percent gain recorded in 1979. The high cost of gasoline caused many manufacturers to ship their goods via water, contributing to the above average growth recorded by this sector in 1980.

Food and drink sales for foodservice contractors at **commercial and office buildings** reached $604 million in 1980, up 11.6 percent from the year earlier. White collar employment rose almost three percent in 1980, contributing to this gain. Other factors that may have influenced employees to remain at their workplace for lunch include the relatively low cost of meals at these locations and the higher cost of gasoline.

Sales for foodservice contractors at **manufacturing and industrial plants** advanced a modest 5.2 percent in 1980 compared to 12.4 percent in 1979. This is due primarily to a 4.0 percent drop in blue collar employment and a 3.5 percent decline in manufacturing employment. **Industrial and commercial organizations** that operate their own foodservice also experienced slower sales growth in 1980—5.7 percent versus 11.6 percent in 1979.

Food and drink sales on **sea-going ships** rose 7.5 percent in 1980 compared with a somewhat stronger 8.4 percent gain in the prior year. Fewer employees in the merchant marine accounted for the slower growth.

Educational feeding sales up 10.8 percent...

Foodservice sales for the educational feeding category reached $6.4 billion in 1980, up 10.8 percent from $5.8 billion in 1979. Enrollment at colleges increased 4.6 percent, contributing to the above average sales growth.

Foodservice contractors at **colleges and universities** posted the strongest increase in the educational feeding segment —13.5 percent. Institutional feeding sales at **public colleges and universities** came next with a 12.8 percent advance. Sales at **private colleges and universities** that operate their own foodservice facilities totaled $673 million in 1980, up 12.3 percent from the year earlier.

Food and drink sales by food contractors at **primary and secondary schools** rose 9.0 percent in 1980 while sales in this category for schools operating their own foodservices rose 8.2 percent. This compares with larger gains of 9.5 percent and 10.2 percent, respectively, in the prior year. Overall enrollment at primary and secondary schools declined in 1980, contributing to the slower rise in sales.

Sales for transportation feeding category up 8.0 percent...

Food and drink sales for the transportation feeding category rose eight percent in 1980. **Passenger/cargo liners** had the largest sales gain—up 11.6 percent. Although cruise ships continued to grow in popularity, 1980's increase was well below 1979's 16.6 percent advance.

In-transit feeding (airlines) by foodservice contractors rose 7.7 percent in 1980, well below the 20.2 percent gain recorded in 1979. Foodservice sales for **airlines** which operate their own foodservice also slowed considerably in 1980, up 7.7 percent compared with a rise of 20.3 percent in 1979. Slower growth in 1980 was due to a 6.8 percent decline in the number of domestic travelers in 1980 and no change in the number of foreign visitors.

Foodservice sales on the nation's **railroads** advanced a modest 3.6 percent in 1980, well below 1979's impressive 26 percent gain. Like airlines, the railroads suffered from a drop in the number of people travelling.

Recreational feeding sales totaled $3.5 billion...

Foodservice sales for the recreational feeding category totaled $3.5 billion in 1980, up 10.7 percent from $3.2 billion in 1979. Food and drink sales at **clubs** experienced the most rapid growth in this category—12.1 percent—well above the 9.5 percent gain recorded in 1979. Membership at both country and city clubs increased in 1980 as people chose to stay closer to home and use club facilities for recreation.

Sales by foodservice contractors at **recreation and sports centers** rose an above average 11.7 percent in 1980 while sales at **recreation and sports centers** operating their own foodservice facilities rose 11 percent. Contributing to these strong gains was an increase in overall attendance at spectator sports and at amusement parks. On the other hand, **sporting and recreational camps, bowling lanes** and **drive-in movies** recorded sales growth below the 10.7 percent average for this category in 1980.

Foodservice sales at health care facilities up 10 percent...

Foodservice sales at health care facilities increased 10 percent in 1980. Sales at **voluntary and proprietary hospitals,** which operate their own foodservice, were up by 11.2 per-

1980 Recreational feeding sales and purchases

	Estimated food and drink sales (000)			Estimated food and drink purchases (000)		
	1979	1980	Percent change	1979	1980	Percent change
Recreation & sports centers						
Contractors	$ 875,370	$ 977,788	11.7%	$ 323,887	$ 355,915	9.9%
Institutional	632,310	701,768	11.0	233,955	255,443	9.2
Subtotal	$ 1,507,680	$ 1,679,556	11.4%	$ 557,842	$ 611,358	9.6%
Drive-in movies	161,871	167,213	3.3	53,417	55,180	3.3
Bowling lanes	458,049	500,922	9.4	174,059	187,846	7.9
Clubs	941,944	1,055,919	12.1	453,499	498,394	9.9
Sporting & recreational camps	107,231	114,244	6.5	64,350	68,558	6.5
Total recreational feeding	$ 3,176,775	$ 3,517,854	10.7%	$ 1,303,167	$ 1,421,336	9.1%

1980 Health care feeding sales and purchases

	Estimated food and drink sales (000)			Estimated food and drink purchases (000)		
	1979	1980	Percent change	1979	1980	Percent change
Contractors in hospitals & nursing homes	$ 751,334	$ 832,480	10.8%	$ 300,534	$ [illegible]	10.8%
Voluntary & proprietary hospitals	4,290,555	4,771,098	11.2	1,716,222	1,908,439	11.2
State & local short-term hospitals	656,089	723,645	10.3	459,806	[illegible]	9.9
Long-term hospitals	820,153	854,510	4.2	328,061	341,804	4.2
Federal hospitals	288,657	318,995	10.5	236,321	261,539	10.7
Nursing homes	2,205,805	2,416,239	9.5	1,394,642	1,527,667	9.5
Total health care feeding	$ 9,012,683	$ 9,916,967	10.0%	$ 4,435,586	$ [illegible]	[illegible]

1980 Military feeding sales and purchases

	Estimated food and drink sales (000)			Estimated food and drink purchases (000)		
	1979	1980	Percent change	1979	1980	Percent change
Defense personnel				$ 1,537,259	$ 1,664,390	8.3%
Officers & NCO clubs ("Open mess")	359,555	392,531	9.2%	135,552	145,854	7.6
Food service-military exchange	195,321	219,800	12.5	85,941	95,343	10.9
Total military feeding	$ 554,876	$ 612,331	10.4%	$ 1,758,752	$ 1,905,587	8.3%

cent. Also experiencing above average growth were foodservice contractor sales at **hospitals and nursing homes** and institutional sales for **federal hospitals** and **state and local short-term hospitals.** Strong gains in foodservice sales at these hospitals were due to an increase in the number of patients and employees in 1980.

Nursing homes and **long-term hospitals** operating their own foodservice recorded the slowest sales growth in this category—9.5 percent and 4.2 percent, respectively.

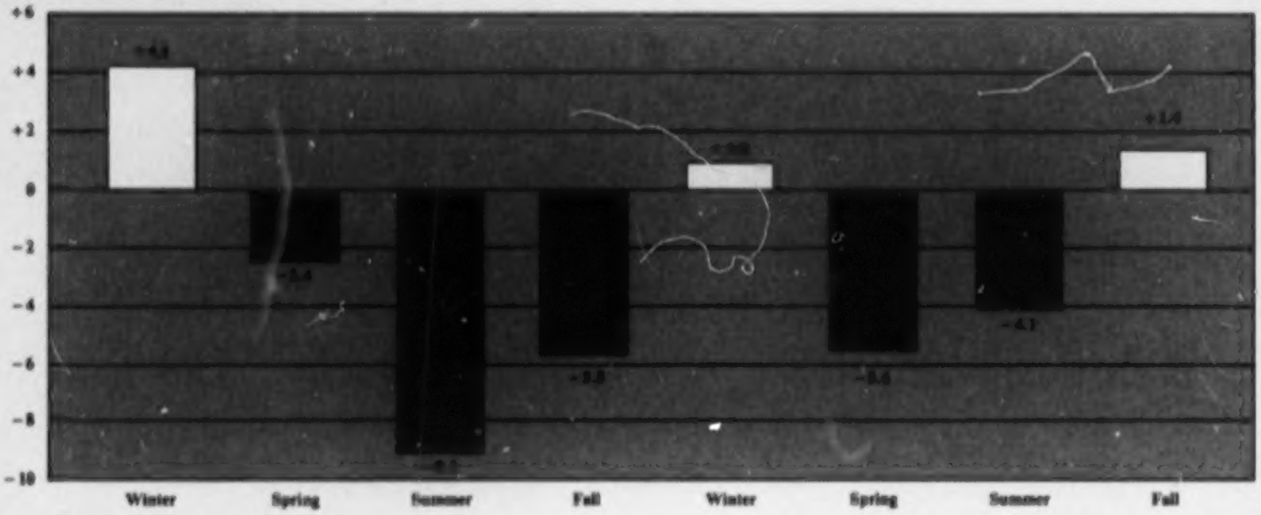
Community centers sales rose 10.2 percent...

Food and drink sales at **community centers** reached $351 million in 1980, a 10.2 percent increase over 1979. Participation in the breakfast program was up 6.3 percent, contributing to this above average sales performance.

Military Feeding Group sales up...

The Military Feeding Group experienced a dramatic improvement in sales performance in 1980. Food and drink sales advanced 10.4 percent compared with a decline of 11.1 percent in 1979. Although the military population declined slightly in 1980, patronage at **post-exchange foodservice establishments** outpaced the rate of menu price inflation, resulting in a 12.5 percent sales gain. Sales at **officers and NCO clubs** were up by 9.2 percent. Military sales will most likely continue to increase in future years, benefiting from the nation's efforts to increase troop strength.

Percent change in quarterly customer traffic*
Winter '79–Fall '80



*Percent change from same period in prior year

Source: CREST, NPD Research, Inc.

NRA FOODSERVICE INDUSTRY—TERMS OF REFERENCE

There are many ways to define the components of the foodservice industry. We have chosen a way that seems reasonable to us, but we recognize that this is a very complex industry and that there are several communities of industry participants. NRA's approach breaks the elements of the foodservice industry into many fine segments so that any industry participant can recombine them into different major groups or subgroups to suit his particular needs. Groupings are to some extent arbitrary, and the categories rarely have neat, sharp boundaries. We define the Foodservice Industry as encompassing all meals and snacks prepared outside the home, and therefore include all take out meals and beverages in this definition.

The major foodservice groupings used by the NRA in its analysis of the industry are as follows:

COMMERCIAL FEEDING (GROUP I): This group comprises those establishments which are open to the public, are operated for profit and which may operate facilities and/or supply meal service on a regular basis for others. Commercial feeding accounts for nearly 85 percent of the sales, and includes eating and drinking places, foodservice contractors, hotel and motel restaurants and restaurants in department stores, drug stores, etc.

EATING PLACES: Dollar sales for eating places are for those with payroll only. Thus our figures may be slightly lower than estimates which include all establishments. Our dollar volume estimates for eating places refer to restaurants and lunchrooms, commercial cafeterias, limited menu restaurants, ice cream and frozen custard stands and social caterers. They do not include contract feeders, which are shown separately, although the Bureau of the Census data include contract feeders in their eating place category.

INSTITUTIONAL FEEDING (GROUP II): This group comprises the business, educational, government and institutional organizations which operate their own foodservice. Food is provided as an auxiliary service to complement their other activities. While some establishments operate at a profit, this is not the aim of the foodservice activity. Rather, they serve food principally as a convenience for their own employees, students, patients, etc.

MILITARY FEEDING (GROUP III): This group comprises the sales of food and beverages at officers' and NCO clubs and military exchanges, as well as defense foodservice to the troops. This group has been shown separately because most suppliers treat it as a distinct entity for sales purposes.

Estimated food and drink sales and purchases, 1980

# of Units	Type of establishment	Estimated food and drink sales (000)		Percent gain (loss)	Estimated food and drink purchases (000)	Source
		1979	1980		1980	
	Group I: Commercial Feeding Group[1]					
	Eating places					
121,461[2]	Restaurants, lunchrooms	$ 33,398,455	$ 36,037,601	7.9	$ 13,531,128	*1, 21, 22, 23*
101,587	Limited menu restaurants	24,936,227	27,434,837	10.0	9,842,465	*1, 21, 22, 23*
6,856	Commercial cafeterias	2,045,336	2,163,965	5.8	820,827	*1, 22, 23*
3,380	Social caterers	748,981	775,944	3.6	302,514	*1, 22*
8,749	Ice cream, frozen custard stands	1,189,556	1,289,479	8.4	406,186	*1, 21, 22*
242,033	**Total—Eating places**	**$ 62,318,555**	**$ 67,701,826**	**8.6**	**$ 24,903,120**	
38,879[3]	**Bar & Taverns**	7,178,715	7,779,573	8.4	491,593[4]	*1, 22*
280,912	**Total—Eating & drinking places**	**$ 69,497,270**	**$ 75,481,399[5]**	**8.6**	**$ 25,394,713**	
7,836[6]	**Food contractors**					
	Manufacturing & industrial plants	2,016,619	2,121,483	5.2	988,590	*1, 19, 27*
	Commercial & office buildings	541,134	603,906	11.6	281,414	*1, 27*
	Hospitals & nursing homes	751,334	832,480	10.8	332,992	*13*
	Colleges & universities	1,004,381	1, 139,972	13.5	396,713	*2, 4*
	Primary & secondary schools	576,790	628,966	9.0	305,237	*3*
	In-transit feeding (airlines)	476,067	512,914	7.7	246,188[7]	*9*
	Recreation & sports centers	875,370	977,788	11.7	355,915	*1, 23, 24, 29*
	Total—Food contractors	**$ 6,241,695**	**$ 6,817,509**	**9.2**	**$ 2,907,049**	
	Lodging places					
13,768	Hotel restaurants	4,109,463	4,439,576	8.0	1,521,065	*1, 23, 25, 26*
2,423	Motor hotel restaurants	742,518	791,227	6.6	271,413	*1, 23, 25, 26*
13,651	Motel restaurants	1,301,331	1,368,009	5.1	481,225	*1, 26*
29,842	**Total—Lodging places**	**$ 6,153,312**	**$ 6,598,812**	**7.2**	**$ 2,273,703**	
	Retail hosts					
8,619	Drug & proprietary store restaurants	$ 345,481	357,572	3.5	135,877	*1*
1,644	General merchandise store restaurants	50,232	52,643	4.8	19,478	*1*
5,202	Department store restaurants	986,564	1,039,838	5.4	405,537	*1, 30*
5,111	Variety store restaurants	419,270	453,231	8.1	172,228	*1*
3,967	Food stores except grocery	152,245	171,580	12.7	58,337	*1*
23,001	Grocery stores restaurants	633,242	705,431	11.4	253,955	*1*
8,232	Gasoline service stations	358,649	383,073	6.8	137,906	*1*
3,608	Miscellaneous retailers (liquor, cigar, etc.)[8]	129,772	139,505	7.5	49,524	*1*
59,384	**Total—Retail hosts**	**$ 3,075,455**	**$ 3,302,873**	**7.4**	**$ 1,232,842**	
	Recreation & sports					
2,882	Drive-in movies	161,871	167,213	3.3	55,180	*1*
3,933	Bowling lanes	458,049	500,922	9.4	187,846	*1*
N/A	Recreation & sports centers	632,310	701,768	11.0	255,443	*1, 24, 29*
6,815	**Total—Recreation & sports**	**$ 1,252,230**	**$ 1,369,903**	**9.4**	**$ 498,469**	
	All other					
3,267	Vending & non-store retailers[9]	2,347,474	2,528,229	7.7	844,428	*1, 19*
N/A	Mobile caterers	434,360	466,720	7.4	160,085	*1, 2*
3,267	**Total—All other**	**$ 2,781,834**	**$ 2,994,949**	**7.7**	**$ 1,004,513**	
388,056	**TOTAL—GROUP I**	**$ 89,001,796**	**$ 96,565,445**	**8.5**	**$ 33,311,289**	

# of Units	Type of establishment	Estimated food and drink sales (000)		Percent gain (loss)	Estimated food and drink purchases (000)	Source
		1979	1980		1980	
	Group II: Institutional Feeding Group—Educational, government or institutional organizations which operate their own food service					
	Employee feeding					
4,000	Industrial & commercial organizations	$ 1,301,995	$ 1,376,668	5.7	$ 673,232	*20, 27*
551	Sea-going ships (1,000+ tons)	52,003	55,919	7.5	33,551	*6*
4,248	Inland waterway vessels	181,296	202,649	11.8	121,589	*7*
8,799	**Total—Employee feeding**	**$ 1,535,294**	**$ 1,635,236**	**6.5**	**$ 828,372**	
	Educational feeding					
95,471	Public & parochial elementary & secondary schools (94,535 national school lunch program)[10]	2,136,253	2,312,195	8.2	3,117,110	*3*
1,017	Public colleges & universities[11]	1,440,101	1,625,118	12.8	782,388	*3*
1,533	Private colleges & universities[11]	599,247	672,954	12.3	377,910	*2,4*
98,021	**Total—Educational feeding**	**$ 4,175,601**	**$ 4,610,267**	**10.4**	**$ 4,277,408**	
	Transportation feeding					
68	Passenger/cargo liners	103,614	115,664	11.6	$ 63,615	*8*
63	Airlines	441,334	475,494	7.7	236,848	*9*
2	Railroads	31,631	32,775	3.6	25,654	*10*
133	**Total—Transportation feeding**	**$ 376,579**	**$ 623,933**	**8.2**	**$ 326,117**	
	Hospital feeding					
4,052	Voluntary & proprietary hospitals	4,290,555	4,771,098	11.2	1,908,439	*13*
1,852	State & local short-term hospitals[12]	656,099	723,645	10.3	505,254	*13*
702	Long-term, general, TB, nervous & mental hospitals	820,153	854,510	4.2	341,804	*13*
359	Federal hospitals[12]	288,657	318,995	10.5	261,539	*13*
6,965	**Total—Hospital feeding**	**$ 6,055,464**	**$ 6,668,248**	**10.1**	**$ 3,017,036**	
25,130	Nursing homes, homes for the aged, blind, orphans, mentally & physically handicapped[13]	2,205,805	2,416,239	9.5	1,527,667	*14*
	Miscellaneous					
10,310	Clubs	941,944	1,055,919	12.1	498,394	*5*
2,249	Sporting & recreational camps	107,231	114,244	6.5	68,558	*1, 11*
16,010	Community centers	318,723	351,233	10.2	414,448	*12*
N/A	Convents & seminaries	***	***	***	118,090	*17*
28,569	**Total—Miscellaneous**	**$ 1,367,898**	**$ 1,521,396**	**11.2**	**$ 1,099,490**	
	Penal institutions					
620	Federal & state prisons	***	***	***	$ 258,340	*15*
3,493	Jails	***	***	***	205,703	*16*
4,113	**Total—Penal institutions**	***			**$ 464,043**	
171,730	**TOTAL—GROUP II**	**$ 15,916,641**	**$ 17,475,319**	**9.8**	**$ 11,540,133**	
559,786	**TOTAL—GROUPS I & II**	**$104,918,437**	**$114,040,764**	**8.7**	**$ 44,851,422**	
	Food furnished food service employees in groups I & II				3,329,160	*18*
	TOTAL—GROUPS I, II & FSE	**$104,918,437**	**$114,040,764**	**8.7**	**$ 48,180,582**	
	GROUP III: Military Feeding Group					
	Defense personnel	***	***		$ 1,664,390	*18*
700	Officers & NCO clubs ("open mess")[14]	$ 359,555	$ 392,531	9.2	145,854	*28*
556	Food service-military exchange[14]	195,321	219,800	12.5	95,343	*28*
1,256	**TOTAL—GROUP III**	**$ 554,876**	**$ 612,331**	**10.4**	**$ 1,905,587**	
561,042		**$105,473,313**	**$114,653,095**	**8.7**	**$ 50,086,169**	

Note: Footnotes and sources appear on next page.

Sources and footnotes for table on pages 34 and 35

SOURCES

1. U.S. Bureau of the Census: Census of Business; *1972 Census of Retail Trade, Merchandise Line Sales; Sales Size; Miscellaneous Subjects; 1972 Selected Services; Hotels, Motels, Trailering Parks and Camps; 1977 Census of Retail Trade, Sales Size, Merchandise Line Sales, Miscellaneous Subjects; 1977 Census of Selected Services, Current Retail Trade Reports, Monthly Selected Services Receipts, Series BS.*
2. Industry sources.
3. Based on data from U.S. Department of Agriculture, Food and Nutrition Service; HEW Office of Education "Fall 1980 Statistics of Public Schools;" HEW *Digest of Educational Statistics* 1979, 1980; National Catholic Education Assn/Granley's 1978 and 1979, *Catholic Schools in America; Current Population Reports*, Series P-20, Nos. 222, 303, 319, 321.
4. Estimated: Based on *College and University Business*, December, 1970; HEW *Digest of Educational Statistics*, 1979, 1980; HEW advanced 1981 data; Bureau of the Census *Current Population Report, Series P-20,* No. 245 "Living Arrangements of College Students," October 1971; HEW National Center for Educational Statistics unpublished data.
5. Estimated: Based on U.S. Department of Commerce, Bureau of Economic Analysis; "Personal Consumption Expenditures," *Survey of Current Business* July 1981; *Clubs in Town and Country 1980*, Pannell, Kerr, Forester.
6. Estimated: Based on data supplied by U.S. Maritime Commission, Immigration and Naturalization Service; *Statistical Abstract of the United States 1981*, Tables 1150 and 1154.
7. Estimated: Based on data supplied by American Waterways Operators, Inc.; individual companies; *Statistical Abstract of the United States, 1981*, "Waterborne Commerce of the U.S.," Table 1138.
8. Estimated: Based on data supplied by the U.S. Maritime Commission, Immigration and Naturalization Service and individual passenger lines; *Statistical Abstract of the United States, 1981*, Tables 414 and 1158.
9. Estimated: Based on data supplied by Air Transport Association, *Air Transport World;* individual companies; CAB Form 41 and Merrill, Lynch, Pierce, Fenner & Smith air transport analyst; *Statistical Abstract of the United States*, 1981, Tables 1123 and 1127.
10. Estimated: Based on data supplied by the Association of American Railroads and Amtrak Corporation.
11. Estimated: Based on data from the American Camping Association and individual companies.
12. Estimated: Based on information from YMCA Statistical Division, U.S. Department of Agriculture, Food and Nutrition Service and industry sources.
13. Estimated: Based on data from the American Hospital Association, *Hospital Statistics 1981*, "HAS Six Month National Comparison period ending June 30, 1979, June 30, 1980, December 1979 and December 1980." American Hospital Association; Veterans Administration and individual companies.
14. Estimated: Based on data from the National Center for Health Statistics; *1970 Census of Population;* American Hospital Association; *NIH Master Facilities Inventory 1978;* unpublished data.
15. Estimated: Based on information from the Bureau of Prisons, Department of Justice, "Prisoners in State & Federal Institutions," December 31 annual, *Corrections Magazine*.
16. Estimated: Based on Department of Justice, Law Enforcement Assistance Administration, *"Census of Jails and Survey of Jail Inmates, 1978* and unpublished data.
17. Estimated: Based on information from the Office Catholic Directory, P. J. Kenedy & Sons, interviews with suppliers.
18. Defense Personnel Support Center, Philadelphia unpublished data; Bureau of Economic Analysis, "Personal Consumption Expenditures," *Survey of Current Business*, July 1981.
19. Estimated: Based on *Vending Times*, "Survey of the Industry," June 1980 and June 1981.
20. Industry sources.
21. *Franchising in the Economy*, 1980-82, Bureau of Domestic Commerce, U.S. Department of Commerce.
22. *Producer Price Index; Consumer Price Index;* Bureau of Labor Statistics, U.S. Department of Labor.
23. Company annual reports.
24. Estimated: Based on *Statistical Abstract of the United States, 1981*, Tables 392, 396, 402 and 403, Bureau of Economic Analysis "Personal Consumption Expenditures," *Survey of Current Business*, July 1981.
25. Estimated: Based on Laventhol & Horwath, *Loding Industry 1981; Trends in the Hotel-Motel Business, 1980;* Pannell, Kerr, Forester.
26. American Hotel & Motel Association *Construction & Modernization Report*.
27. Estimated: Based on *Employment and Earnings*, Bureau of Labor Statistics, "Occupation of Employed Workers by Sex, 1960-1980."
28. Army Times Publishing Company.
29. *Aud/Arena Stadium*, 1981.
30. *Department and Speciality Store Merchandising and Operating Results of 1980*, National Retail Merchants Association.

FOOTNOTES

1. Data are given only for establishments with payroll.
2. Figures are latest Census Area Reports or Merchandise Line detail counts or updates when reliable data become available.
3. Unit count includes only those establishments serving food; however, sales figure is for all bars and taverns with payroll.
4. Food only. Cost of alcoholic beverages totaled $2,348,812,000.
5. Food and drink sales for nonpayroll establishments totaled $2,356,643,000 with eating places accounting for $1,462,013,000 and drinking places $894,630,000.
6. Individual businesses, not locations. Contract feeders are included in eating place totals in all Bureau of the Census publications although their sales volume figures for contract feeders are significantly understated.
7. Food purchase only.
8. Includes SIC 59, except 591 and 596.
9. Includes sales of hot foods, sandwiches, pastries, coffee and other hot beverages.
10. School lunch commodities furnished in the calendar year 1980 under Secs. 6, 32, 416 are worth $925,722,000. In addition, 1,751,400,000 half pints of milk worth $137,137,010 were supplied to 83,578 outlets.
11. Total number of colleges and universities which have foodservice whether contracted or not.
12. Represents sales or commercial equivalent to employees.
13. Sales (commercial equivalent) calculated for Nursing Homes and Homes for Aged only. All others in the grouping make no charge for food served either in cash or in kind.
14. Continental U.S. only.

***These institutions make no charge for food served either in cash or kind.

Definitions, sources and methodology

Although there are many ways to define the components of the foodservice industry, this report organizes the various elements into three major groups: the Commercial Feeding Group, the Institutional Feeding Group and the Military Feeding Group. For a description of each category, please see the box on page 33. Portions of the Commercial Feeding and Institutional Feeding Groups have been recombined into categories such as employee feeding, health care and educational feeding in the analysis of sales performance in 1980.

In addition to these general categories, this report defines a restaurant or lunchroom as an establishment that provides waiter service. In contrast, a limited menú restaurant or refreshment place usually does not provide waiter service.

Readers may note that the 1980 eating place sales figures presented here are lower than those published by the Census Bureau in its "Current Retail Trade Reports" series. (Census revised its 1980 sales figures in April 1981 and in April 1982.) The census data include contract feeders. In this report all contract feeding appears as a separate Commercial Feeding Group segment.

Study figures. . .

The figures in this study were obtained from trade associations, various government data (both published and unpublished), published reports and discussions with foodservice executives in many segments of the industry. Whenever possible, several approaches and sources were used for the industry segment under examination to arrive at a set of answers in close agreement with each other. This has proved particularly useful where data are "soft." Source materials used in making our estimates are listed on the preceding page and are noted on the tables on pages 34 and 35.

Sales data for many of the Commercial Feeding Group segments of the foodservice industry are based on the *1977 Census of Retail Trade*. Exceptions are sales for hotels, motels, camps and clubs for which the *1977 Census of Selected Services* was used. In addition, the "Merchandise Line" and "Miscellaneous Subjects" reports from the *1977 Census of Retail Trade* provided the proportion of meals and snack sales to total sales for eating and drinking places, retail hosts and other non-store retailers.

For the Commercial Feeding Group, sales figures were determined first and then food and drink purchases were calculated from the sales figures on the basis of food and beverage costs as a percent of sales. In the Institutional Feeding Group, purchases were calculated from a cost per meal times the number of meals consumed in the particular segment. Where a direct charge is not made, such as in a proprietary hospital, commercial equivalent sales were calculated as a multiple of food costs.

There are some exceptions, however. For airlines, estimated sales were taken to mean estimated purchases from a contractor or the internal cost of foodservice operations by the airline. The sales figures do not include the cost of serving meals or beverages. When there is no charge for the serving of meals—as in federal hospitals which do not charge veterans for service, this report assumes no sales transaction has taken place.

Editor's Note: *Questions concerning the content of this article or requests for additional copies should be directed to the National Restaurant Association, Research and Information Services Department, 311 First St., N.W., Washington, DC 20001.*

Percent change in economic indicators and foodservice industry sales 1979–1980

	Current dollars	Real dollars*
Gross National Product (GNP)	8.8%	−0.2%
Personal consumption expenditures	10.7	0.4
Durable goods expenditures	−0.2	−7.4
Non-durable goods expenditures	12.2	1.1
Services expenditures	12.8	2.6
Disposable personal income	11.0	0.7
Foodservice industry	8.7	−0.6
Commercial feeding	8.5	−1.0
Eating places**	8.6	−1.0
Institutional feeding	9.8	2.0

**Adjusted for inflation*

***Eating places include restaurants, lunchrooms, social caterers, commercial cafeterias, limited menu restaurants as well as ice cream and frozen custard stands.*

SOURCES: Survey of Current Business, December 1981; Malcolm M. Knapp, Inc.

NRA research department—industry's data source

**Menu prices are moderating . . . Customer traffic is up . . .
Increases in foodservice sales are projected . . .
Wholesale prices moderate . . . Vacation travel up . . .**

If you have just been quoted data on the state of the foodservice industry, chances are it was gathered, analyzed or published by NRA's research and information services department.

From forecasts of future industry sales to creative studies on consumer moods and patterns—every year NRA's research department is responsible for 35 reports, studies and original research on the economic well being of the foodservice industry and its future prospects.

To develop credible information, the department's seven-member staff draws on original NRA research, government studies as well as work done by respected research companies, such as Gallup Organization, N.P.D. Research and the Conference Board.

"Over the last few years, we have tried to fill the gaps in foodservice research," explains Susan Mills, director of NRA's research and information services department. "In today's competitive marketplace, it is imperative that foodservice operators are able to compare their operations to general industry trends. We give them this opportunity in as many different areas, on as many different levels as possible."

NRA's research department has also become an important information source for the national, trade and local press. Besides making our own research available, NRA's information service—a library of foodservice publications and reports—keeps current files on all industry-related data," says Mills.

During the past year, the research department has published an impressive list of studies, reports and surveys which include

- Consumer reactions to and attitudes toward restaurant promotions
- How consumers make the decision to eat out
- Market research for the restaurateur: a do-it-yourself handbook for market research
- Restaurant industry operations report: 1982
- Executive compensation and benefits in the foodservice industry
- Benefits for non-exempt employees in the foodservice industry: 1982
- 1982 forecast for industry sales
- Foodservice sales panorama: Featuring industry sales for 1970 through 1980

NATIONAL RESTAURANT ASSOCIATION
prepared by
NRA
RESEARCH DEPARTMENT

Most of the information in these projects is published here in *NRA News*.

"Just as important as our research role in the industry, is the information back-up we provide NRA's government relations department," continues Mills. Whether the issue is beef grading, dairy price supports or emergency energy allocation, the research department provides substantive data supporting testimony on Capitol Hill. In sum, NRA's research staff serves as the industry's research arm.

Summer travel outlook favorable to foodservice industry

More people will be traveling this June, July and August, and this should benefit the restaurant industry. According to a survey by the U.S. Travel Data Center, vacation travel is expected to increase six percent this summer over the same period last year. Not only have more people indicated that they plan to travel, but they also said they will be traveling farther and staying at their destinations longer than in 1981.

This bodes well for the foodservice industry since last August alone travelers spent an estimated $6.4 billion in the nation's restaurants — the equivalent of six percent of total Commercial Group food and beverage sales in 1981. (See November 1981 "Foodservice Trends" section of *NRA News*.)

Other factors likely to boost foodservice sales are expected increases in air travel, hotel and motel visits, and the number of travelers from the upper income brackets.

To understand how these changes in travel patterns may affect the foodservice industry this summer, one can turn to NRA's August 1981 travel study. According to that study, air travelers, those traveling for business or pleasure and persons from the upper income brackets spend more money in restaurants than people traveling by car, visiting relatives or earning less than $30,000 a year.

Specifically, NRA's 1981 study found that:

- Persons traveling by air spent a total of $239 per trip in restaurants last August while those traveling by car spent $112.
- Pleasure travelers spent an average of $145 per trip in commercial eating establishments last August compared with $122 for those visiting friends or relatives.
- Persons earning $30,000 or more spent a total of $143 per trip during August 1981 compared to $128 for those earning between $20,000 and $30,000, $111 for those earning between $10,000 and $20,000 and $91 for those with incomes less than $10,000.

Percent change in vacation travel

	June/July/August 1982	June/July/August 1981	Percent change
Number of adults taking vacation trips	113 million	110 million	2.7%
Number staying in hotels/motels*	121 million	114 million	6.1
Number staying with friends/relatives*	114 million	122 million	−6.6
Average trip duration	6.07 days	5.98 days	1.5

*Denotes number of "vacation person-trips" — a term used by the U.S. Travel Data Center to indicate each time one person goes on a trip to a place 100 miles or more away from home.

Source: U.S. Travel Data Center, *1982 Outlook for Summer Travel: A Guide to Vacation Markets.*

Restaurant expenditures by August 1981 travelers

	Average spent per day	Average total per trip
Mode of transportation		
Airplane	$31	$239
Car	22	112
Reason for trip		
Pleasure	25	145
Visit	20	122
Income level		
Under $10,000	14	91
$10,000–$20,000	21	111
$20,000–$30,000	22	128
$30,000 and over	28	143

Source: *National Travel Survey August 1981*, U.S. Travel Data Center, National Restaurant Association.

Editor's Note: *The data presented in this report is based on the National Travel Survey which is conducted monthly by the U.S. Travel Data Center. More than 1,000 adults are interviewed each month regarding their intentions to take vacation trips in the following six-month period.*

TECHNICAL SERVICES

New study on energy consumption in restaurants

A study just getting off the ground this summer may help you conserve energy in your restaurant. The U.S. Department of Energy (DOE), with the cooperation of NRA and participating foodservice companies, is embarking on a 13-month study to monitor energy consumption in seven east-coast restaurants.

This project, called PREP (Project on Restaurant Energy Performance), is designed to develop specific data on the amounts of energy used in restaurants and will cover all major energy systems, including lighting, heating, cooling, ventilation, cooking, sanitation and refrigeration. Usage will be recorded at each metered point every 15 minutes, 24 hours a day.

NRA contracted the Institutional Engineering Advisory Services of Pennsylvania State University to execute the research project.

The restaurants participating in PREP were all constructed after 1972, and each operation has custom-made instruments based on its equipment. Burger King, Friendly Family Restaurant, Steak and Ale, Roy Rogers, Morrisons, Pizza Hut and Barclays, a Host International unit, have all been equipped with the appropriate number of instrumented points to meter the usage of gas, oil or electricity. The number of points range from 19 to 32.

The major goals of PREP are to

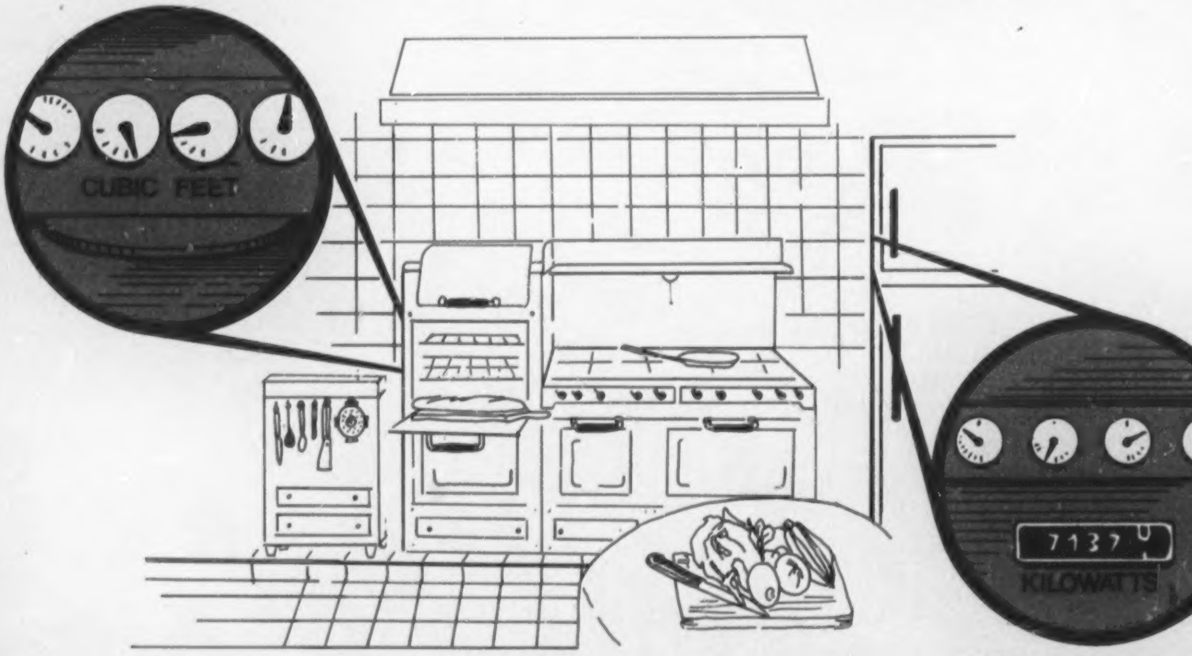
1. explore systems for increased energy efficiency
2. obtain data to validate energy analysis programs
3. develop comprehensive energy management plans and programs
4. determine the amount of process and comfort energy used in restaurants and
5. define the effects of climate, customer counts, hours of operation and fuel as well as equipment types on energy usage.

An NRA project advisory committee headed by Bryce Norwood of Friendly's Restaurant has assisted in the development of the project and continues to monitor all activities.

PREP results will be published by NRA and turned over for further analysis to Battelle Pacific Northwest Laboratories (PNL)—DOE's contracted project director. PNL plans to take the data and compare it with the information they have compiled on the structure of each participating restaurant and on the different types of equipment. Out of this comparison will come a substantive report on energy consumption in restaurants and on the relationship of energy usage and architectural design, equipment structure, and management conservation measures.

For further information about the PREP program, contact PREP Project Director NRA Director of Technical Services Andy Poledor at the NRA Chicago office, One IBM Plaza, Suite 2600, Chicago, IL 60601; (312) 787-2525.

NRA News will periodically publish results from PREP to keep you abreast of study findings.



NRA SEMINAR SCHEDULE

Practical Accounting for Foodservice Managers

July 19	Milwaukee, WI

Food & Beverage Operations Auditing

Sept. 22	Houston, TX
Sept. 23	Phoenix, AZ

Simplified Baking Workshop

Aug. 25	Columbus, OH
Aug. 26	Pittsburgh, PA

Bar Management

July 12–14	Dallas, TX
Aug. 23–25	Denver, CO

Controlling Beverage Costs

July 12	Louisville, KY
July 26	Boston, MA
Aug. 2	St. Louis, MO
Aug. 17	Portsmouth, NH
Aug. 23	Detroit, MI
Sept. 13	Omaha, NE
Sept. 21	San Antonio, TX
Sept. 23	Dallas, TX

Off Premise Catering

Aug. 30–31	Baltimore, MD
Sept. 15–16	Detroit, MI

Computers

Sept. 13	Denver, CO
Sept. 14	Los Angeles, CA

Restaurant Design & Facilities Planning

Aug. 18–19	Seattle, WA
Aug. 31–Sept. 1	West Palm Beach, FL

Dining Room Management

July 12	Des Moines, IA
July 14	Omaha, NE
July 19	Detroit, MI
July 27	Buffalo, NY
Aug. 11	San Francisco, CA
Aug. 12	San Diego, CA
Aug. 24	Washington, DC
Sept. 7	Chicago, IL
Sept. 13	Atlanta, GA
Sept. 22	Philadelphia, PA
Sept. 28	New York, NY

Hiring Hourly Employees

July 27	New Orleans, LA
Aug. 16	Rochester, NY
Sept. 7	Charlotte, NC
Sept. 10	Tampa, FL
Sept. 28	Cleveland, OH

Fish & Seafood

July 6	Savannah, GA

Controlling Food Cost

Aug. 2	Pittsburgh, PA
Aug. 16	Oklahoma City, OK
Aug. 17	Dallas, TX

Improving Food Production Methods

July 29	Cincinnati, OH
Aug. 10	Oakland, CA
Aug. 12	Seattle, WA
Aug. 17	Baltimore, MD
Aug. 19	Boston, MA
Sept. 16	New Orleans, LA

Kitchen Management

July 26	Austin, TX
July 28	Dallas, TX
Aug. 9	Los Angeles, CA
Aug. 11	Sacramento, CA
Aug. 16	Honolulu, HI
Sept. 1	Milwaukee, WI
Sept. 7	Kansas City, MO
Sept. 20	Seattle, WA
Sept. 22	San Francisco, CA
Sept. 28	Sarasota, FL

Controlling Labor Costs

Aug. 10	Atlanta, GA
Sept. 16	Montgomery, AL

Location! Location! Location! How to Successfully Negotiate and Finance Your New Operation(s)

July 21–22	Kansas City, MO

Practical Meat Workshop

Aug. 26	Houston, TX
Aug. 30	Chicago, IL

Menu Development

Sept. 14	Atlanta, GA

Operational Analysis

July 14–15	Minneapolis, MN
Aug. 9–10	Reno, NV

Performance Review

July 28	New Orleans, LA
Aug. 17	Rochester, NY
Sept. 29	Cleveland, OH

National Conference on Promotion

Sept. 13–15	New York, NY

How to Research and Analyze Your Customers, Sales & Competition

July 21	San Francisco, CA
July 22	Portland, OR

Practical Foodservice Sanitation

Sept. 30	Pensacola, FL

Soups & Sauces

Sept. 8	Indianapolis, IN
Sept. 9	Detroit, MI
Sept. 15	Los Angeles, CA

Super Salads

Sept. 21	Washington, DC

Basic Supervision

July 13	Phoenix, AZ
July 20	San Diego, CA

California Wine Workshop

Sept. 25–29	Napa Valley, CA

For more information, contact NRA's seminar department, 311 First St., NW, Washington, DC 20001; call (202) 638-6100 or (800) 424-5156.

Announcing the National Restaurant Association National Conference Schedule for 1982

National Conference on Promotion
September 13-15, 1982
Harley Hotel
New York City, New York
$395 members · $495 nonmembers

California Wine Workshop
September 25-29, 1982
Silverado Country Club
Napa, California
$930 members · $995 nonmembers

National Conference on Purchasing
October 10-12, 1982
Palmer House
Chicago, Illinois
$395 members · $495 non-members

National Conference on Alcoholic Beverage Service
November 7-10, 1982
Hyatt Regency Hotel
Dallas, Texas
$395 members · $495 nonmembers

WN 06/11 MEMBER#01L004WF
STATISTICAL REFERENCE IND
CONGRESSIONAL INFO SERVICE
4520 EAST-WEST HWY #800
WASHINGTON DC 20014

Grandparents Day is a perfect opportunity for you

"Honor thy father and thy mother." We do everyday—and particularly on Fathers Day and Mothers Day. But what about thy father's mother and father and thy mother's father and mother?

NRA is actively participating in a nationwide campaign to bring Grandparents Day to the attention of the American public. The NRA communications department is distributing feature stories and special columns to newspapers, TV and radio stations all over the country. We are reminding the public to take their grandparents out to eat on September 12.

Are you ready for this new holiday?

Through *NRA News*, *PRO-Motion* newsletter and special mailings, you have already learned about the table tents, posters and records available. (There is still time to order. See pg. 12.) But there is more you can do. Have you thought about advertising a special meal, a free drink, a happy hour for grandparents, a corsage for grandma or anything else which will let guests know that your restaurant is the place to go on September 12?

Mothers Day has been setting record sales for years. Many believe that eventually we will see greater sales on Grandparents Day. But to bring that to pass, all of us have to help promote this celebration.

In a highly competitive industry, promotion can make all the difference. And Grandparents Day is a perfect opportunity for you to create a great event for some grand people.

Michael Grisanti

Chairman, Communications Committee

NRA NEWS

Officers
Chairman of the Board
John G. Dankos
Vice Chairman
Joe R. Lee
Treasurer
Harris O. Machus
Executive Vice President
Robert Neville
Corporate Secretary
Ruth K. Tracy

Chairman
Communications Committee
Michael J. Grisanti
Executive Committee
Ted Balestreri
John F. Cauley
Robert T. Clift
James A. Collins
Walter Conti
Stanton D. Elliott
Thad A. Eure, Jr.
Ralph B. Evans
G. "Jim" Hasslocher
Larry Hilaire
Michael E. Hurst
William Ray Lackey
Jack A. Laughery
Michael O'Neal
John L. Rian
Ernest H. Royal
Harris H. Rusitzky

Senior Director
Jeffrey R. Prince
Executive Editor
Steven J. Dahliof
Editor
Sylvia Rivchun
Communications Specialists
Carol A. Caprione
Elyse G. Cuttler
Staff Contributors
Walter Ashcraft
Joan E. Campbell
Tom C. Corcoran
Cindy M. Estis
Clyde L. Griffith
Elizabeth E. Hendrix
Bette B. Hoyt
Art Miller
Susan F. Mills
Jay H. Morris
Robert A. Palmer
Tina Packard
Andrew P. Poledor
James T. Rogers
John R. Rolfs
Rachael A. Zachary
Editorial Typist
Kerrie Gonnella

Editorial offices
and NRA headquarters
311 First Street, N.W.
Washington, D.C. 20001
(202) 638-6100

Chicago offices
One IBM Plaza, Suite 2600,
Chicago, IL 60611
(312) 787-2525

NRA News (ISSN 0465-7004) is published monthly by the National Restaurant Association, 311 First St., N.W., Washington, DC 20001. Membership dues include a one-year subscription to *NRA News*. The non-member subscription fee is $125 per year. Second-class postage paid at Chicago, IL 60607 and additional mailing offices. Copyright ©NRA 1982, all rights reserved. Postmaster, send address change to NRA News, 311 First St., N.W., Washington, DC 20001.

CONTENTS

Cover Story

	11	**Grandparents Day**—Next month, on the Sunday after Labor Day, grandparents across the country will be given special recognition. Many of them will share a lunch or dinner with their families who will gather together to celebrate Grandparents Day. Your restaurant has an opportunity to take part in this holiday and to make a profit—in the way it has on Mothers Day and Fathers Day. For a background look at how Grandparents Day came about and for some promotional pointers, turn to page 11.

Specials

Money	14	With this issue *NRA News* begins a series on money. For the first two installments turn to "Who's taking **credit**?" on page 14 and "Learning the basics about **electronic cash registers**" on page 16.
Food Trends	32	Food preferences are changing both here and abroad. For a global perspective turn to page 32, "**International food trends:** Fast food catching on in Europe, the Orient, Australia." For a look at domestic food trends and **how you can take advantage of the changing tastes of your customers,** read "The restaurant as theater" on page 36.

Departments

Half Baked	2	**A new light-hearted column** on industry trends and developments
Short Orders	3	Munchin' Monday and Warlocks' Wednesday are two promotional opportunities of NRA's **October Feast**
The Law	4	Cash shortages, breakages, walkouts can all chip away at your profits but **covering losses with deductions can pose legal problems**
Washington Report	5	**Controversy continues** on business meal deduction and tip reporting plus special feature on **where to turn for answers to questions about laws and regulations** that affect your business
The Board Room	10	NRA Executive Committee hopes to sponsor the **U.S. Olympics Culinary Team**
Education	19	Tips on **finding topnotch employees** for your restaurant
Foodservice Trends	20	How consumers make **the decision to eat out**
	21	**Lodging place estimates for 1973 to 1980** have been revised
	22	CREST reports on **popularity of entree items**
	23	Consumer **Analysis:** Comparing the spending habits of domestic travelers in March 1982 and August 1981
	26	How CREST data can help you
	27	**CREST Report** shows customer traffic declined by one percent during the Spring quarter
	31	Industry index
Technical Services	35	**Properly conditioned water** can enhance the foods and beverages prepared in your restaurant, increase the efficiency of your equipment and save energy
At Your Service	38	NRA's information service and library can answer **your questions about foodservice**
State Department	39	Illinois Restaurant Association hosts legislative breakfast with Republican leader of the House of Representatives **Bob Michel**
Showtime	40	The Main Course **Race** at the 63rd annual NRA Show **nets $12,000** for the American Cancer Society
]

HALF BAKED

Favorites from home spice up dorm fare

The dormitory chefs at the University of California at Davis got tired of receiving complaints about their food. So they went straight to experts in home-style cooking for help—the students' parents.

This year, the second time round for the program, 650 suggestions came in from moms and dads around the country. They included such popular items as enchilada pie, chicken cacciatore and Swiss onion quiche.

Ten people—including cooks, students and a staff nutritionist—whittled down the suggestions for the "favorites from home" lineup. According to the cafeteria staff, consumption is up 10 to 20 percent on nights when the dorm serves up recipes sent in from home.

Wall Street Journal

From bother to boon

Clair Bartholomew, owner of the Pickle Barrel Restaurant in downtown Chattanooga, TN, thought she was losing customers because of some noisy construction work that was taking place in front of her restaurant. Complaining to the proper authorities did no good, so she decided to keep her sense of humor and be a little creative. Bartholmew renamed her menu items to fit the environment. Now customers can order such items as backhoe biscuits, jackhammer chili and bulldozer sandwiches.

Nation's Restaurant News

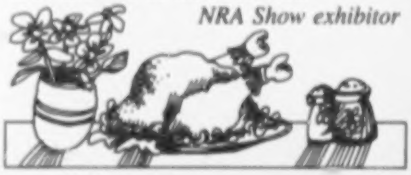
Gourmet dining hospital-style

Imagine a hospital meal that starts with rumaki, includes rack of lamb or Cornish hen and ends with Black Forest torte and dessert wine. A delirious fantasy you say? Not quite. It's one of the many possible menu combinations offered by the gift shop of St. Joseph's Hospital in Fort Wayne, IN, as an alternative to standard hospital fare.

Now when friends or relatives look for a present to bring to the sickbed of patients at St. Joseph's, they can add to usual flowers and books with a food treat. There is one menu that offers dinner selections; another just for desserts.

Those willing to splurge for meals for two or more people can really do the patient a favor. They can turn the sometimes draining hospital visit into a gourmet dining experience for the patient and one or more visitors.

NRA Show exhibitor



Pizza dream come true

Jill Baumgartner, assistant manager for Pizza Hut in Bluffton, IN, decided to make her dream of creating the world's largest pizza come true. "I'm training for manager, and they tell me that I can do anything I put my mind to," she said.

Baumgartner put her idea to good use by selling footage of the pizza before it was baked and donating the proceeds to several local high school athletic teams.

The pizza consisted of more than 255 pounds of pan pizza dough, 30 pounds of mozzarella cheese, 2,250 slices of pepperoni, five gallons of pizza sauce and handfuls of green peppers, olives, hamburger and Canadian bacon. The 160-foot long and 9-inch wide pizza was a new world record—beating the old Guinness world record by 72 feet.

Baumgartner's creation took four hours and 45 minutes to prepare and was baked outdoors in a specially designed oven that had to be bolted together. After the pizza was done, cheerleaders and student volunteers carried it through the streets to the sounds of marching bands.

"It was tough making those corners, but everything worked out. It just goes to show you that if you want something badly enough you can get it," Baumgartner said.

Nation's Restaurant News

TOP APPLE TUESDAY

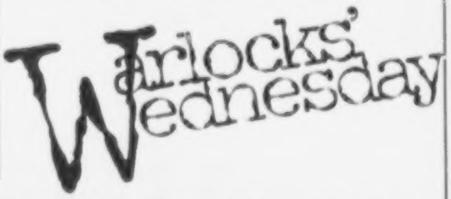
NRA creates October Feast

"NRA has set up special promotional materials every year for Hospitality Month, but never as comprehensive as this year's October Feast," explains Michael Grisanti, NRA director and chairman of the communications committee.

October Feast will focus on one day in every week during October—starting with Friday, October 1, and moving forward to Monday, October 25. All NRA members will receive an information package on October Feast in a special edition of *PRO-Motion*. The package will include art slicks illustrating each of the separate days, as well as dozens of suggestions on how to tailor the special promotions to your restaurant. NRA is also supplying art slicks of the October Feast logo to the National Advertising Bureau for distribution to local newspapers. The papers will be able to use the October Feast logo as a head for their Dining Out sections during the month of October.

October Feast was conceived as an industry-wide event for Restaurant Hospitality Month. The excitement created by October Feast should build patron interest and increase customer traffic. The Feast days during October were named for the widest use of the October Feast theme.

- October 1, Feast of the First
- October 7, Thirstday-Thursday
- October 13, Warlocks' Wednesday
- October 19, Top Apple Tuesday
- October 25, Munchin' Monday



SHORT ORDERS

You can have a say in shellfish policies

Next month you can have a voice in developing policies and guidelines for the sanitary control of the shellfish industry. A conference—the Interstate Shellfish Sanitation Conference—has been scheduled for September 20-22 in Annapolis, MD to bring together foodservice industry representatives, state regulators and Food and Drug Administration (FDA) staff.

For further information, contact Andy Poledor at NRA's Chicago office, (312) 787-2525.

A piece of Americana

Collectables 'from Chicago kitchens'

In progress at The Chicago Public Library Cultural Center is an exhibition that pays tribute to American pioneers, chefs who came from other countries, dining establishments and cookbook authors and food editors who helped establish Chicago's great food traditions.

The public display, called "From Chicago Kitchens," was drawn from the collection of NRA member Louis Szathmary—restaurateur, cookbook author, food columnist and broadcast personality.

Each of the exhibit's nine display cases focuses on a different phase of the city's culinary history, including photos of kitchens and hotel dining rooms, cookbooks and utensils from the turn of the century as well as regional and charity cookbooks.

Employing the disabled in Wyoming

The disabled in Wyoming are getting a boost from the restaurant industry. Here is a look at some recent developments.

- The "talking cash register" is the latest innovation to help Wyoming restaurants employ severely impaired people. At the Emerson Building Cafeteria in Cheyenne, for example, the register enables Shawna Skidmore—a visually impaired person—to be the cashier.
- Three cafeterias in state buildings in Cheyenne have been sponsored by the Wyoming Vocation Rehabilitation Services to become training grounds for people with disabilities. Disabled persons learn various foodservice skills and then go on to qualify for competitive employment in the industry.
- Bob Banker, manager of Artis Truckstop Terminal, Inc., received the Wyoming governor's award in recognition of his efforts to expand relations between the foodservice industry and the vocational rehabilitation services. As president of the Southeastern Wyoming chapter of the Colorado/Wyoming Restaurant Association, Banker hired persons with disabilities and became their advocate, started mini-inservice training sessions in foodservice for state rehabilitation services personnel and had a hand in adjusting the foodservice management program at Laramie County Community College to accommodate the disabled.

Upcoming NRA meetings

- The **National Conference on Promotion** will take place September 13-15, 1982 at the Harley Hotel in New York City. The program is designed to cover all aspects of restaurant promotions, including promotion trends in the 80s, the value of promotions and ways to promote. For more information, contact Larry Fidel, NRA manager of seminars and conferences, in Washington, DC.
- **NRA's Market Research Group** will meet in San Francisco on September 22-24, 1982. The program will center around the theme of market research and its future applications to the restaurant industry. Included will be presentations from research suppliers on the topics of site selection, sampling techniques and the use of qualitative research. For additional information, contact NRA Research Manager Bette Hoyt in Washington, DC.
- The **California Wine Workshop** will explore wine marketing and sales potential to help restaurateurs keep up with growing American consumption of wine. This year's workshop, September 25-29, will include more than 10 tours of wineries in the Napa Valley. For more information, contact Larry Fidel, NRA manager of seminars and conferences, in Washington, DC.
- **NRA's Marketing Executives Group** will meet at the Ambassador East Hotel in Chicago on October 3-6, 1982. The program will focus on increasing customer counts in today's market. Presentations from several qualified experts will center on this theme. For additional information, contact Susan Mills, NRA director of research and information services, in Washington, DC.

October
is
fish & seafood
month

THE LAW

Covering losses with deductions can pose problems

For foodservice operators, some of the smallest losses can mount up the fastest, with profits disappearing through cash shortages, breakage, walkouts and the like. Many employers try to curb these losses by deducting the amount of the shortage or the walked check or the cost of the broken item from an employee's paycheck. Yet, under federal wage and hour law, these deductions can only be made under limited conditions. The employer who habitually uses such deductions runs the risk of making mistakes which can invite a compliance audit.

The most important fact to remember is that virtually *no deduction* (other than a meal and lodging credit) is allowed from the check of a minimum wage employee.

In the case of a tipped employee—even though he or she may earn substantial amounts of tip income—you may not apply any of that tip income to make up your loss, since tip income must remain the property of the employee. Exception: You may deduct cash shortages from a minimum wage employee's pay if that employee has been judged by a court to have stolen or misappropriated your money. But neither mere negligence on the part of the employee, nor your suspicion of theft, is enough to justify deducting cash shortages from the pay of a minimum wage employee.

When you pay an employee a cash wage in excess of the minimum, you *may* deduct for your loss, but the deductions may not reduce the employee's wage below the minimum. For example, if you pay a waiter $3.50 per hour, you may deduct only up to 15 cents per hour, since any higher deduction would reduce the waiter's pay below $3.35 per hour. Even if your employee agrees to a deduction that reduces his/her wage below the minimum, such an agreement is void, since employees cannot legally waive their rights to be paid the full minimum wage.

Deductions, even when allowed, are not popular with employees. Problems of proof and affixing blame will cause difficulties for an employer and leave some employees feeling unfairly treated, possibly leading them to instigate a wage-and-hour investigation.

What can you do? The answer lies in effective personnel management. There is nothing in the law to prevent you from discharging an employee for carelessness in the handling of your money or property. Obviously, you won't want to use this remedy thoughtlessly. You will want to establish a reasonable policy that recognizes the inevitability of a certain amount of human error, and you'll want to discuss this policy with your employees so they know what is expected. You may wish to take aside employees who have chronic or abnormal problems with shortages or breakage to let them know you expect improved performance in these areas.

Finally, remember that any disciplinary practices (up to and including discharge) should be uniformly applied to *all* employees. If you discipline an individual for infractions you have ignored or excused in the past, either when committed by that individual or others, you risk a charge of discriminatory treatment. The best way to avoid this is by establishing and adhering to a policy involving progressively more severe discipline for repeated offenses. Be sure to keep records of all discussions with employees about their job performance to prove all employees are subject to the same procedures.

Controversy continues on business meal deduction and tip reporting

As **NRA NEWS** went to press, Congress had not yet changed its position with regard to halving the deduction for business meal expenses—despite NRA's around-the-clock activity to reach a compromise.

"Congress is determined to include the restaurant industry among those contributing greater sums to the U.S. Treasury," explains NRA President John Dankos.

The business meal provision is part of bill H.R. 4961, known as the Tax Equity and Fiscal Responsibility Act of 1982. The bill, designed to raise enough revenue to keep the fiscal 1983 deficit below $104 billion, includes dozens of other controversial provisions such as mandatory withholding on interest and dividend income and doubling of federal cigarette taxes.

How the meal provision was added. . .

The business meal provision was included in the Senate-passed version of H.R. 4961 near the end of around-the-clock floor activity on the bill. At about 4 a.m. on July 23, Senate Finance Committee Chairman Robert Dole (R-KS) introduced an amendment to reduce by 50 percent the deduction for local business meals. No hearings had been held on the provision, and it had never been considered by the Senate Finance Committee.

"The amendment appeared in the middle of the night just before the Senate passed the bill. No consideration was given to the severe economic hardship the bill would impose on the foodservice industry," Dankos said. "The provision would result in the loss of nearly $3 billion in sales and over 100,000 jobs."

NRA President John Dankos tells the media how reducing the business meal deduction would hurt the foodservice industry.

Earlier that same morning, the Senate had voted by a 70 to 25 margin to eliminate a burdensome tip reporting provision strongly opposed by NRA. NRA had fought this tip provision for months.

"Our members did a terrific job in telling their senators about the burden this proposal would have had on restaurateurs. Their calls and letters are what defeated the first tip reporting provision." An amendment to delete this tip reporting provision was introduced by Sens. David Pryor (D-AK) and Bob Kasten (R-WI) and accepted by the Senate at about 2 a.m. the morning of July 23.

"But it looks as though Congress is out to get more money from the restaurant industry in one way or another," Dankos said of the Senate's surprise move to halve the business meal deduction.

One proposal follows another. . .

On August 6, NRA Executive Vice President Robert Neville and several other officials from the hospitality industry met with Sen. Dole and representatives from the U.S. Treasury Department and the Internal Revenue Service (IRS). The government officials agreed to consider the elimination of the business meal provision if a substantially modified version of the original tip reporting measure were included in the bill.

The compromise was accepted by NRA in principle and is being considered by government officials. The modified tip reporting proposal would require restaurants with 10 or more employees to report gross food and beverage sales to the IRS as well as aggregate tip income reported by employees.

After its enactment, the modified tip reporting proposal would require establishments with aggregate tip income of less than eight percent of gross food and beverage sales to include a list of all tipped employees with taxpayer identification numbers as well as wage and tip income. Other details are still subject to negotiation.

NRA is willing to accept the modified version to prevent a reduction of business meal deductibility. "We could live with a modified tip reporting but reduction of the business lunch deductibility can mean the demise of many restaurants and high job loss," said John Dankos.

Efforts continue to find a compromise acceptable to both the foodservice industry and to the government.

H.R. 6103 approved by House Labor Committee

The House Education and Labor Committee approved bill H.R. 6103 that would require employers who violate the Fair Labor Standards Act (FLSA) to pay a fine three times the amount owed an employee in back wages or overtime. Although an amendment was offered by ranking republican John Erlenborn (R-IL) to allow employers to continue "good faith" attempts to comply with complicated provisions of the FLSA without incurring triple penalties, H.R. 6103 was reported out virtually unchanged. Because it could be taken up on the House floor before the summer is out, NRA is urging members to contact their congressmen and ask that they oppose this legislation.

H.R. 6103 would greatly increase penalties for all wage and hour violations after the first violation. Specifically, it would

- assess a penalty of three times the unpaid minimum wage or unpaid overtime compensation (First-time violations would be subject only to a penalty of back wages plus interest)
- require that the employer pay back pay plus interest to the employee and the remainder of the triple damages to the Treasury Department
- require that when an employer can't locate an employee or if the employee refuses payment, amounts due must be paid into the Treasury (instead of resorting back to the employer)
- assess a civil penalty of up to $10,000 on employers for willful record-keeping violations (criminal sanctions could also be imposed)
- remove an employee's right to sue for back pay (only the Labor Department would have this ability), while simultaneously retaining an employee's right to sue for liquidated damages.

John Dankos, NRA President

Why NRA opposes the bill . . .

In a letter to committee members charged that the bill was drafted and redrafted hurriedly without sufficient hearings and without employer input. NRA also pointed out that the bill does not make a distinction between employers who unwittingly violate the FLSA and those who deliberately flout the law.

"In the foodservice industry, the majority of minimum wage law violations are a result of miscalculation of highly technical FLSA exemptions, but under H.R. 6103 unintentional violators are treated the same as 'sweatshop' operators," explains NRA President John Dankos (Dankos Enterprises, Inc., Richmond, VA). "The bill unfairly penalizes good-faith offenders who would be subject to triple damages if, for example, they innocently but improperly valued a meal or tip credit."

Assessing triple damages also would have the effect of rendering enforcement of the FLSA punitive rather than compensatory. NRA feels there is no need to impose such a severe penalty on employers, particularly since most are acting in good faith.

NRA also believes that until the Department of Labor (DOL) resolves many of the grey areas in the law that lead well-intentioned employers into unwitting violations, H.R. 6103 should not be considered.

> **"In the foodservice industry the majority of minimum wage law violations are a result of miscalculation of highly technical FLSA exemptions."**

The bill also would jeopardize the present-day voluntary settlement process. An estimated 80 percent of all back-wage cases now are settled voluntarily. Under H.R. 6103, an employer would be liable for triple damages whether he settles or goes to court.

Where the bill stands . . .

Although the bill has been reported by the Education Labor Committee, House Republican Leader Bob Michel (R-IL) recently told a group of restaurateurs that he believes chances of the bill's passage this year are slim. If the bill should happen to pass the House, he said, it is likely to be defeated in the Senate. At this date, no companion legislation has been introduced in the Senate.

Senate Finance Committee approves TJTC extension

While considering a $21 billion tax package for FY 1983, the Senate Finance Committee approved a measure to extend the Targeted Jobs Tax Credit

(TJTC) for three years. Impetus for the action came from a bill introduced earlier this year by Sens. John Heinz (R-PA) and Pete Domenici (R-NM) to extend the credit through 1987. Since more than half of the Senate had signed on as cosponsors to the Heinz-Domenici bill, the committee obviously was receptive to attaching a TJTC extension to the tax package.

Heavily used by foodservice employers, the credit has helped provide an estimated one million jobs to hard-to-employ persons since its inception in 1979. NRA and other retail trade groups have been actively seeking its extension this year.

The TJTC program allows an employer to receive a tax credit equal to 50 percent of an employee's first-year wages up to $6,000 and 25 percent of second-year wages up to the same amount. Employers may receive the credit only if they hire employees from nine targeted groups, such as the handicapped, disadvantaged youth or Vietnam veterans. The credit will expire after Dec. 31, 1982—if no action is taken by Congress.

Extension differs from bill. . .

The TJTC extension adopted by the Finance Committee differs somewhat from the original Heinz-Domenici bill. It would extend the credit for three years—through 1985—instead of five, although— like the Heinz bill—it would make cooperative education students eligible for certification regardless of whether they are economically disadvantaged, the credit for co-op students would be limited to 30 percent of the first $3,000 of wages paid in the first year of employment and 15 percent of the first $3,000 of wages paid in the second year of employment.

New target group included. . .

The Finance-passed measure also would include a new targeted group: economically disadvantaged youths seeking summer jobs. Employers would receive a credit for hiring economically disadvantaged 16 or 17 year olds for any 90-day period between May 1 and Sept 15. Employees could qualify only one time for this credit with respect to a particular employer, and the credit would be 85 percent of wages paid (up to $3,000).

Consideration of an extension is not nearly as far along in the House, although several bills have been introduced. U.S. Rep. Harold Ford (D-TN), chairman of the Ways and Means Public Assistance and Unemployment Subcommittee, has introduced a bill almost identical to the Heinz-Domenici measure. Ford was joined by 14 of his colleagues on the tax-writing panel. His bill, H.R. 6700, would also add unemployed persons who have exhausted all of their unemployemnt benefits as a targeted group.

NRA-PAC: Phase II

NRA has begun the second phase of its efforts to increase the membership of the NRA Political Action Committee (PAC). Recently, a second authorization letter was mailed to NRA members, asking them to give NRA-PAC permission to communicate with them further on political matters, as required by the Federal Election Commission.

NRA-PAC's first authorization letter was sent to members in April, and the response was tremendous, according to NRA-PAC Chairman Ralph Evans (Evans Farm Inn, McLean, VA). "We've seen a 300-percent increase over last year in the number of respondents who said they were interested in our PAC activities," he said. "The increase is a positive sign that our members understand the effect Congress can have on their business and the need to help those candidates who share NRA's free enterprise philosophy."

"It's exciting to think that NRA can help pro-business candidates foot the bill for such rapidly rising campaign expenses."

Election year brings more requests . . .

Evans said that with the 1982 election nearing, the NRA-PAC staff receives calls almost daily from congressional campaign offices seeking financial assistance with campaigns. "It's exciting to think that NRA can help pro-business candidates foot the bill for such rapidly rising campaign expenses," Evans added.

Money contributed to NRA-PAC is used to make political contributions to candidates for the U.S. Senate and U.S. House of Representatives. This year all 435 congressional seats and 33 senate seats are up for election. The PAC is governed by a seven-member board of trustees that meets regularly to review and evaluate candidates and to assess their voting records.

Individuals making political contributions to NRA-PAC are eligible for a personal income tax credit.

For more information on the NRA-PAC, contact David Joyner, NRA-PAC manager, at NRA headquarters in Washington, DC, (800) 424-5156.

Ralph Evans
NRA-PAC chairman

Information please!

INFORMATION

Where do you turn if you have questions about child labor laws, FICA and FUTA taxes, uniform deductions, tip credits, copyright laws, IRS compliance rules or meal credits?

Chances are if your attorney or accountant can't help you, NRA's legal or government relations staff can. NRA attorneys monitor all changes in laws and regulations that affect foodservice. Their knowledge of laws, rulings or opinions can be extremely helpful to you as a member.

NRA legislative representatives can also provide you basic information on bills before Congress, the legislative history of important issues affecting the industry, or information about your congressman and senators — how they vote and where they stand on restaurant issues.

You can reach these NRA staff members toll-free at (800) 424-5156 or by writing NRA at 311 First Street, N.W., Washington, DC 20001.

Go to the source...

Many times, however, you may want to go right to the source of your frustrations — Uncle Sam. The federal government has many programs that let you do just that. Often you can talk to a government expert in a subject area of your interest by calling a toll-free number or by writing a particular department. And there are literally thousands of government publications available, many of them free of charge. But, as with everything that involves the federal government, the biggest headache can be deciding which office to contact to get the information you need. The following guide to federal information programs should help you negotiate the federal maze of more than 125 federal agencies and departments.

Office of Business Liaison, U.S. Department of Commerce

The Department of Commerce has created an Office of Business Liaison (OBL), charged with helping businessmen cope with the labyrinth of regulations and paperwork that confront the average business operator.

According to OBL Director Mary Jo Jacoby, OBL's responsibilities can be divided into two main functions

- Acting as an advocate to the business community, monitoring business issues and conveying the business point of view to other government agencies during the agency decision-making process, and
- Aiding businesses through its "Roadmap" program. The Roadmap staff talks directly to businessmen who have questions about or problems with the federal bureaucracy.

OBL is also part of the interagency-review process that new legislation undergoes prior to congressional markup. Generally a bill is reviewed by the federal agency that would be charged with its implementation, as well as the General Accounting Office (GAO) and the Office of Management and Budget (OMB).

"Many times we are also asked to provide business views on a particular bill," Jacoby said. "We usually know what business is thinking through informal contact with business groups and corporate leaders. Also, last fall we wrote 250 trade associations and asked them to send us a list of issues that they considered most critical to their industry."

The Roadmap program — designed to guide businessmen through the maze of federal regulations and bureaucracy — began last summer, and the program's four professionals have already answered some 7,000 inquiries. Questions range from business benefits from the president's tax reduction plan to how to obtain an export license.

"This response to our Roadmap program indicates the level of interest in government activity and, in many cases, the level of confusion about government programs," Jacoby said.

"Business executives are asking us questions stirred by items in newspapers, on broadcasts and in trade publications. They want clarification or confirmation about federal programs, regulatory changes, legislative proposals or other government actions that affect their firms."

Jacoby said most of the questions her office gets from businessmen are about taxes, starting a new business, franchising and exporting. "If we don't know the answer, we get the appropriate agency to answer the inquiry. Then we follow up to make sure the question was answered to the caller's satisfaction," Jacoby explained.

The Roadmap telephone number is (202) 377-3176. Written queries can be sent to: U.S. Department of Commerce, Office of Business Liaison, Room 5898-C, Washington, DC 20230.

Office of Advocacy, Small Business Administration

The Small Business Administration's Office of Advocacy is the small businessman's champion in Washington. As small business' ombudsman in the federal city, it represents the small business interests before rule-making agencies. It may also support better treatment of an individual business when the facts warrant it, or it may fight for small firms in a particular part of the country, or it may represent a particular industry.

Like the Office of Business Liaison, it is also a clearinghouse for complaints about paperwork and regulations. In fact, SBA is charged with administering the recently-enacted Regulatory Flexibility Act, a law that requires federal departments and agencies to consider the impact of new regulations on small businesses. The Office of Advocacy also conducts research on general and specific issues that affect small businessmen. Last year, for example, NRA helped Advocacy poll NRA members on commercial credit needs.

For more information, contact:
Small Business Office of Advocacy,
U.S. Small Business Administration,
1441 L Street, N.W. Room 1010,
Washington, DC 20416 (202) 653-6579.

Federal Information Centers

If you have general questions about a federal program or you don't know which agency you should contact about a problem, you may want to try a Federal Information Center. These offices have been established in many states to answer questions about the federal government directly. Or, they will refer your calls to the correct department or agency that can handle the request.

For example, they can explain where to get a passport, how to buy surplus government property, what office handles Medicare or food stamps or how to get a patent or trademark.

For a list of these centers, contact the General Services Administration, Office of Federal Information Centers, Washington, DC 20405.

Many departments and agencies of the federal government also maintain offices throughout the country. They are specifically intended to serve the people living in the state or region where they are located and in many cases may be authorized to distribute federal funds. To learn if there are any federal agency offices in your area, look in the white pages of your telephone directory under U.S. Government or contact the Federal Information Center nearest you.

Government publications

Believe it or not, the largest publisher in the country is Uncle Sam — spending close to $1.5 billion annually on thousands of books and pamphlets on a myriad of subjects. Most of these publications are issues by the Government Printing Office, (GPO) which distributes material on farming, homemaking, education, transportation, small business, housing, crime, wildlife and numerous other topics through 21 regional GPO book stores scattered across the country.

So that the public may know what documents are available, GPO publishes an index, the *Monthly Catalog of United States Government Publications.* Publications are arranged by issuing agency, and then indexed in turn by subject, author, title and series/report number. Cumulative indexes come out twice a year. For copies of the catalog, write: Superintendent of Documents, U.S Government Printing Office, Washington, DC 20402.

Another federal agency, the General Services Administration, also distributes government pamphlets selected specifically for their usefulness to consumers. These cover such self-help topics as how to fix your car, how to save money on food, health care and household expenses, etc. A quarterly *Consumer Information Catalog* describes items available. To obtain a free copy, write: Consumer Information Center, Pueblo, CO 81009.

Your local library may have many of the publications listed in these catalogs. There are over 1,300 public and research libraries in the U.S. that have been designated "federal depositories" and automatically receive numerous government publications.

Other sources of information about the federal government

If you want to know how the federal government is organized, what federal programs are available to help you with a community project, what federal funds have been distributed to your region, state, country or city, which congressional committee or executive agency oversees an area of interest to you, there are additional guides that are available. Some of them are published by the government, others by private research firms. These include: Catalog of Federal Domestic Assistance, Geographic Distribution of Federal Funds, United States Government Manual and the Washington Information Directory. For details on these, contact the NRA Government Relations Department.

Special services. . .

There are a number of special services the federal government provides to citizens, in many cases free of charge. One example of interest to restaurateurs is the U.S. Department of Agriculture's Food Marketing Service, which can give you the inside scoop on food prices. USDA has marketing experts on virtually every food product, and USDA market news branches publish weekly wholesale and producer-level prices. Call or write to get on their mailing lists.

Dairy Market News Branch
Agricultural Marketing Service
Room 2764, South Building
Washington, DC 20250
(202) 447-7461

Fruit and Vegetable Market News Branch
USDA
Room 2503, South Building
(202) 447-2745

Livestock Market News Branch
USDA
Room 2623, South Building
(202) 447-6231

Poultry Market News Branch
USDA
Room 3958, South Building
(202) 447-6911

For more information about other services, contact your Federal Information Center.

THE BOARD ROOM

NRA hopes to sponsor U.S. Culinary Olympic Team

During its recent meeting in Knoxville, Tennessee, the NRA Executive Committee agreed in principle to sponsor the U.S. Olympics Culinary Team.

In announcing this decision, NRA President John G. Dankos said, "At a time when American cuisine is being celebrated in this country and abroad, the American team may have to drop out of the Culinary Olympics for lack of funding. NRA can't let that happen."

The Culinary Olympics are held in Frankfurt, Germany, every four years. In 1980, the American team won the Gold Medal in the important Hot-foods Competition and was rated the second best team overall.

"Our team won with sea bass and turkey entrees which established a connection among nutrition, low cost and quality. They are simple American dishes, not European recipes with American names. The 1980 team taught us and the world an important lesson," Dankos said.

"We must have a team in Frankfurt in 1984," he added.

A team of about 18 chefs will be selected during three tryouts held in various parts of the country. The team will then train for the competition.

For the last 12 years Kraft Foodservice division has footed the bill for the team. Kraft now indicates that it can no longer go it alone.

"No individual company should have to pay the entire bill," Dankos said. "If the NRA Board votes to sponsor the U.S. team, we will seek backing from many firms. Several companies—including Kraft—have already indicated their willingness to pay part of the cost."

The details of NRA's sponsorship are still to be worked out, Dankos said. But a proposal will be presented to the NRA Board at its next meeting.

Goodwin to serve on Chamber's Labor Relations Committee

Director Jerry Goodwin, (Reese Coffee Houses, Denver, CO), has been asked to serve on the Labor Relations Committee of the U.S. Chamber of Commerce. Goodwin will represent the industry's interest as this committee debates labor issues.

"My objective is to head off problems that will create difficulties for foodservice operators," said Goodwin. "When I received the letter asking me to serve on this committee, I saw that the issues included the Fair Labor Standards Act and OSHA. I knew that we had to be represented."

Goodwin is also NRA's representative on the Chamber of Commerce's Small Business Committee. He has been an articulate spokesman for the small businessman and woman who operate 94 percent of the foodservice outlets in this country.

"When I joined the Small Business Committee, the others seemed to think that no one in our industry received the minimum wage. Someone has to be there to voice this industry's concern and to educate the others about our operations," said Goodwin.

Goodwin operates seven coffee houses in the Denver area.

Committee chairmen for 1982

At a recent Board meeting, newly-elected NRA President John Dankos announced his committee chairmen. "The NRA Board Committees establish the association's goals and policies. NRA could not function effectively without the cooperation of all of its committee members," said Dankos.

The six new committee chairmen for 1982 include:

- **John Cauley,** (Friendly Ice Cream Co.) Government Relations
- **Robert Clift,** (Banner Food Enterprises) By-Laws
- **James Collins,** (Collins Foods International, Inc.) Political Education
- **G. "Jim" Hasslocher,** (Frontier Enterprises) Nominating
- **Harris Machus,** (Harris O. Machus Enterprises) Finance
- **Michael O'Neal,** (The Ginger Man Group) State Communications & Legislation

The 10 reappointed committee chairmen for 1982 include:

- **Ted Balestreri,** (Sardine Factory, Inc.) Convention
- **Stanton Elliott,** (Fresh Freeze Enterprises) Energy and Technical Services
- **Thad Eure,** (Creative Dining Food Systems, Inc.) Audit
- **Ralph Evans,** (Evans Farm Inn) Political Action
- **Robert Flickinger,** (Service Systems Corp.) Investment
- **Michael Grisanti,** (Casa Grisanti, Inc.) Communications
- **Larry Hilaire,** (Hilaire's Restaurants) Pension
- **Michael Hurst,** (15th Street Fisheries) Membership
- **Ernest Royal,** (Royals Hearthside) Human Resources
- **Harris Rusitzky,** (Serv-Rite Corp.) Education and Research.

Grandparents Day:

Create a great event out of a grand day

What began as a passing thought has become a permanent national holiday. For the behind-the-scene story of how Grandparents Day came to be, *NRA News* talked to Mike Goldgar, the driving force behind the National Council for the Observance of Grandparents Day.

Interview with Grandparents Day founder

Ten years ago one of America's most sentimental holidays was just a glimmer of an idea. Mike Goldgar, the man credited for putting Grandparents Day on the calendar, was visiting an aunt in a nursing home. He was so struck with the loneliness of the people there that on the way home he began to think about what he could do to help—and the seed for Grandparents Day was sown. In 1979 Congress declared the day a permanent national holiday, and since then—on the first Sunday following Labor Day—grandparents everywhere get a little extra attention.

Often that attention gets expressed in the form of a meal out, and that is why the National Restaurant Association is working with Goldgar's National Council for the Observance of Grandparents Day to build awareness for the holiday, which this year falls on September 12.

NRA is placing feature stories in newspapers across the country to build consumer recognition and is preparing table tents so foodservice operators can do some advertising of their own. If you would like to plan a promotion, be on the lookout for the order form and a sample of these table tents.

The National Council for the Observance of Grandparents Day has also prepared promotional materials. It has developed counter cards, posters and badges, which are described in a brochure that is available toll-free by calling (800) 621-4118.

In addition, it has cut a record (a single) of its official theme song called, "Every Baby's Best Friend." This song, composed by Bob Colby and performed by Mickey Rooney and 24 children from Talent Town, New Jersey, is available in quantities of 100 from the National Council for the Observance of Grandparents Day, Record Division, P.O. Box 490022, Atlanta, GA 30349. One hundred copies of the record cost $85. On the flipside of the single is another tune called "Companionship."

"I think a holiday has to become an institution; it has to be official for people to pay attention to it."

NRA News: How did Grandparents Day get started?

Goldgar: The holiday started in 1972. I went to visit an aunt in a nursing home, and I was struck with the loneliness of the people there. On the way home I began to think what could I do to help the situation. I thought there must be one common denominator that ties all these people together. I decided that they were all probably grandparents. But because so many families are disintegrating and grandparents don't have the role in society that they once had, they aren't being remembered.

Years ago I think grandparents were part of the family and lived at home. Now they don't as often. They live far away but they continue to be important in the lives of grandchildren. I don't think this fact has been recognized like it should be. And so, I thought, why can't we have a Grandparents Day. We have a Mothers Day and a Fathers Day. From then on I began to think about Grandparents Day as a national holiday and to drum up support to get it declared a holiday by Congress.

NRA News: Why did you want it declared a holiday by Congress?

Goldgar: Because I think a holiday has to become an institution to have real significance in the lives of people. It has to be official for people to pay attention to it.

NRA News: How did the germ of the idea for Grandparents Day develop and grow?

Goldgar: There was a period of three years when I just thought about it spasmodically. I had worked on Mothers Day at one time in an advertising agency in New York, and maybe it all just gelled. At first I just kept plugging along. I wrote a form letter and sent it to my four children and friends in different parts of the country, asking them to write their congressmen. Congressmen, you see, won't really pay attention to their mail unless it's from their own district or state.

NRA News: Did the letters drum up the support you needed?

Goldgar: They were just the beginning. Drumming up support for Grandparents Day wasn't as easy as I thought. As you know, to get a bill through Congress you have to have it endorsed in advance by the majority. You can't just bring it up on the floor. So I had to go from state to state to build support. I started with my state, Georgia. My congressman helped me persuade the Georgia delegation that Grandparents Day needed to be an official holiday. Then I moved into South Carolina and started all over again.

I was determined all along that what we needed was to make the holiday official, but during the first three years I had other things on my mind so I worked part-time. Then my first grandchild, Jennifer, was born in 1976. This meant a lot to me and inspired me to really push hard with the congressmen. I made Grandparents Day my full-time occupation. I made 17 trips to Washington at my own expense because I believe in this holiday so much.

NRA News: Did the Washington trips help?

Goldgar: Yes, but I had a lot of disappointments. Some of the congressmen would say, "Look, I'm for it and when it gets on the floor of the House, I'm going to vote for it. You can count on that." But that means nothing. If it's on the floor of the House, you've already won. You have the majority. It's a meaningless gesture that frustrated me."

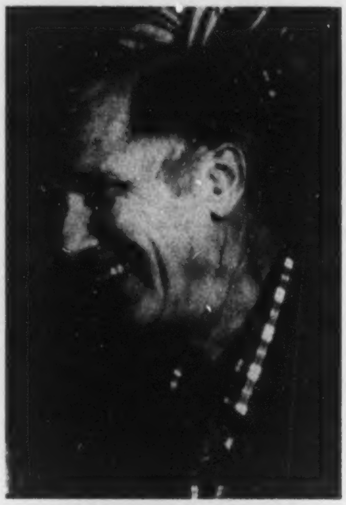
NRA News: When did the bill pass?

Goldgar: It passed in 1978, two years after I began working on it full-time. But we had to go through the effort all over again the next year. Two days before the bill was brought up in Congress, my congressman called to tell me about the congressional rule that a holiday can only be declared one year at a time. I was rather stunned because I didn't want to go through it again. But we had to. The next year—in 1979—the rule was amended and Grandparents Day became a permanent holiday.

NRA News: Did your efforts stop once the bill was passed?

Goldgar: No. When I realized the bill would pass, I started a nonprofit entity called the National Council for the Observance of Grandparents Day. My feeling is that a holiday's no good if it's just in a desk drawer somewhere and nobody knows about it. So the purpose of the council is to create awareness. To do this we are seeking commercial support because in this country, with all the distractions there are, you simply can't get anywhere without a good bit of commercial support. But our support is selected commercial support.

To get funding we went to the industries that seem to relate to it, such as the greeting card industry, florists, and the National Restaurant Association. And, of course, one of the people who started with us who's been very helpful from the word go was NRA President John Dankos. He's the head of our restaurant advisory committee. This committee was set up so we would learn how to get restaurants involved and how to help them take advantage of this promotional opportunity, at the same time creating awareness for us.



"My feeling is that a holiday's no good if it's just in a desk drawer somewhere and nobody knows about it."

NRA News: Why should restaurant operators get involved in Grandparents Day?

Goldgar: There are two answers to that question. Of course, there is the commercial reason—they stand to increase their business, their profits. But more important, by promoting Grandparents Day, they pay recognition to an often forgotten segment of society, and they can help bring generations together. One of the most worthwhile things that grandchildren can do is to take their grandparents out to dinner because it brings them together. It's a fun time, an enjoyable time, a meaningful time they share.

You see being a grandparent is a reward in life. It's continuity, a piece of immortality. It means a lot to me to be with my grandchildren, and I know it means a lot to others.

Promotion ideas for Grandparents Day

Grandparents Day can be a record-setting sales day, on par with Mothers Day and Fathers Day. Last year, Chuck Baker, senior vice president of food and beverage for Brock Hotels—a midwest Holiday Inn franchisee of 54 hotels, told *Lodging and Foodservice News* that "business in our hotel dining rooms on Grandparents Day was up system-wide about 37 percent." Other restaurateurs also noted that their Grandparents Day special brought in new faces.

If you haven't planned a tie-in promotion for Grandparents Day, you may want to begin this year. Here are some ideas you can build upon.

- **Order NRA's full-color table tents** announcing Grandparents Day. There is space on one side of the tent for you to announce any special menu or promotion you may be sponsoring.
- **Develop a special menu** that features a set price brunch or dinner with a reduced rate for grandparents or grandchildren. You can offer a 25 percent discount if grandparents show you pictures of their grandchildren, or you can reduce the total check by one percent for each grandchild accompanying grandparents to your restaurant.
- **Give take-home family photographs** in a special folder imprinted with the name of your restaurant or your logo. You can hire a photographer to shoot polaroid pictures of family groups dining in your restaurant or photographs of grandparents.
- Encourage return visits by presenting each grandparent with a **money-off coupon to use on their next visit** to your restaurant.

Once you decide on your promotion, advertise. Try to develop an ad that will capture the reader's attention. Some successful ads from 1981 had slogans such as: "A special day that deserves celebrating at a special place." "Grandparents Day is grand, grand, grand." "Bring the whole flock for Grandparents Day." "A great restaurant. A Grand occasion. And a very special offer."

Profile

Who's taking CREDIT?

Over $12 million in meals were charged on credit cards in 1981, according to NRA estimates. Restaurants that use credit cards agree that credit cards account for a substantial portion of their sales—between 30 and 65 percent—and that credit receipts per meal are generally higher than with cash transactions.

Even with these obvious advantages, it is no secret that many restaurants prefer not to accept credit cards, particularly those just starting out in business. Yet very few succeed in keeping credit cards at bay.

It's become a love-hate relationship between the restaurateur and the credit cards. On the one hand, without credit cards, restaurants could improve their profits by one to two percent. On the other hand, with credit cards, customer traffic is up.

Credit cards boost check size

Credit card companies—both the bank card companies and those with travel and entertainment cards (T & E)—are quick to remind non-believers that

- customers depend on credit cards in today's economy
- credit cards boost the average check size
- the service staff receive higher tips when credit cards are used and
- there are other potential tie-in advantages for restaurateurs who use credit cards.

NRA Director Ella Brennan, owner of Commander's Palace in New Orleans, LA, explains: "Customers are so dependent on credit cards today, but the costs to restaurateurs are horrible. The charge for accepting credit cards really is one of the major expenses of doing business." About 64 percent of the Commander's receipts are on credit cards.

This is the first installment of an *NRA News* series on money.

Despite their popularity or necessity in today's credit economy, there still are a number of restaurants where credit cards aren't accepted. Among them is the Pizza Hut chain. They once considered the idea but found such a low customer interest in using cards that they decided against credit. It's partially the size of the establishment which keeps New York's elegant Box Tree away from using cards to attract customers. "With room for only eight tables, it's highly unlikely that we'd *ever* take credit cards," the Box Tree explained. NRA Director Donald Clinton of Clinton's Restaurant in Los Angeles, agrees that the small check size at his restaurant would make bookkeeping unprofitable for credit cards.

Larger tips with credit purchases . . .

Not only are customers and restaurant owners interested in the credit card issue, but so are the service staff. Many professional foodservers will only work in restaurants that accept credit cards because they feel credit purchases result in much larger tips.

Mark Latz, proprietor of the Knife and Fork Inn in Atlantic City, NJ, is one restaurateur who agrees with this impression. "I was terribly surprised at how much larger the tips are with the cards. My staff loves it."

Another supporter is former waiter Jack Kenneally, now general vice president of the Hotel & Restaurant Employees & Bartenders International Union AFL-CIO. "It's psychological, like the chips at Las Vegas. Somehow plastic money doesn't seem as though it's the real thing," says Kenneally.

To reduce the costs a little, restaurateurs can deduct a percent of the credit card user's fee or commission from employee tips before the tips are disbursed. In a large operation, which does a significant amount of its business with credit cards, these small sums can add up quickly.

To cut down on the cost of accepting credit cards, many restaurants are selective about the credit cards they honor. Some honor only bank cards, such as VISA and MasterCard. The bank cards are known for faster crediting policies and generally lower commission rates than the T & E cards—American Express, Diners Club and Carte Blanche.

Nonetheless the cash flow problem presented by credit cards is significant for the industry. In their operations, restaurateurs need funds to meet basic expenses, such as foodstuffs, payroll and linen supplies.

To address this situation, American Express is expanding its Express Deposit programs. Begun in 1979, Express Deposit enables participating restaurants to deposit their American Express charge slips directly into their bank accounts, just as they would cash receipts.

The restaurateur merely completes a regular bank deposit slip for the total amount of the charges and deposits them daily in a participating bank. The slips are then credited to the restaurant's bank account. The procedure allows for ready access to funds and American Express automatically debits the bank account for its discount, which provides the restaurant with a regular statement of transactions.

"Restaurant response to the program has been enthusiastic," points out

Pamella Hebson, American Express director of restaurant/performing arts marketing. "In fact, the number of restaurants enrolled in Express Deposit has more than doubled in the past year."

Another program American Express has inaugurated to help the industry—and to compensate, in part for its high commission charges—is Action Advertising. Begun in the fall of 1980, this program provides professionally designed, camera-ready art to participating restaurants.

Each restaurant chooses ads from a pool of possibilities. Then the restaurant has exclusive use of those ads in the restaurant's market for a pre-arranged period of time. More than 1,200 restaurants across the country have taken advantage of the program in its first year of operation.

Action Advertising has proven particularly helpful to smaller restaurants whose budgets have precluded hiring an agency. The program's appeal, however, is not limited to small establishments. Thomas' of Indianapolis, IN, a 300-seat continental restaurant that had previously engaged in only limited advertising, ran three Action Ads during a one-year campaign in a number of local publications. By the end of the year, Thomas' had increased its American Express charge volume by 109 percent and the average charge transaction by 20 percent.

New prestige cards have advantages . . .

Other credit card companies are also changing to meet the new demands. In addition to their regular cards, VISA and MasterCard have debit cards for instant withdrawals (without float). The new premium prestige cards have their own special advantages. They make it possible to get large cash advances at hotels and banks. They also increase the amount a customer can spend in a restaurant or store before there is a need to call-in for authorization.

Joseph Powell, vice president in charge of research and operation for MasterCard International, considers the future bright for these prestige cards. "Cardholders are willing to pay the special price because they recognize that they are getting a more valuable piece of plastic."

Some say that the balance will be tipped in favor of the debit card by the end of the decade. However, to a certain extent, regular cards are moving in that direction anyway. Some of the banks already have eliminated the grace period that causes a negative cash flow. For example, if someone charged a restaurant meal on July 15, the restaurateur might not file the slip in time for it to show up on that month's bill. If this should happen, the customer could be forced to pay past-due interest—even though the account had never had a problem with rollover before.

With or without grace periods, Powell believes that credit is here to stay. "The cards mean convenience—being able to spend money without having to carry it along."

NRA Director Ralph Evans adds that "business people and travelers today expect to be able to use their cards wherever they go. We have almost no choice but to offer credit cards. We are a service industry and must cater to the needs of our customers."

Taking credit—for the future

It's not unthinkable that in the future your customers will have a mini-computer credit card which will be capable of completing an entire money transaction and credit your bank account for the transaction before the customer even leaves your establishment. Too good to be true?

There *is* a mini-computer credit card in existence, and it's presently in the testing stage. During the mid-1970s, the French experimented with ways to become more competitive in the world telecommunications field. One of the products of their billions of dollar research and development is the so-called "Intelligent" or "Smart Card." The problem was to make much more information available than what can be contained in a strip of magnetic tape—or, in other words, to embed a micro-processor in plastic as thick as an ordinary credit card.

By 1980, three companies achieved a card that met the criteria.

Then came the next question: What application would receive the widest usage? The answer: added security for the electronic transfer of funds. At present, the card is far too expensive for general use (costing almost 30 times the price of manufacturing a regular plastic credit card, or $18 vs. 65¢). However, there is so much potential involved in its informational and security capabilities that there may be widespread interest in the next few years. Hopefully enough to bring its costs way down.

Currently the minicomputer card is being test-marketed in France. It also is playing a part in a six-month pilot project being undertaken by the First Bank Systems of Minneapolis, Minnesota. Stuart McIntire, senior vice president, explains: "We didn't intend to be the first. We were interested in determining customer preference patterns and selected 200 farmers living within 300 miles of Minneapolis for our test group."

McIntire says that the Smart Card in some ways is like a sophisticated version of the debit card. It's memory chip can reprogram itself every two weeks to any predetermined amount. "In effect, it could be an instantaneous deduction, but restaurants still have to interface electronically with their banks. Otherwise it would be like walking around with an uncashed check in your hand," adds McIntire. Smart Cards are also among the methods being considered by the U.S. Department of Agriculture (USDA) to control food stamp fraud. Used at a grocery check-out, the tiny computer immediately would reflect the amount the account is drawn down—at the point of transaction *and* at the welfare office, making food stamps unnecessary.

With all the possibilities of Smart Card usage, McIntire believes a system network is all that is needed to make the card effective. His belief is that one may be developed within the next decade.

Learning the BASICS about electronic cash registers

Part 2 of a series

"If you are a restaurateur and have not bought an electronic cash register yet, it will only be a matter of time before you will have to. Your current equipment has a limited physical and economic life, and manufacturers just are not making mechanical registers anymore. You are also likely to automate because electronic cash registers stand to improve your operations, reduce your costs, increase your revenues and have a net effect of increasing your profits," says Richard G. Moore of the School of Hotel Administration at Cornell University. In this excerpt from NRA's new manual, The Restaurateur's Guide to Electronic Cash Register Selection, *you will learn the basics about different ECRs so that when the time comes to buy a system, you can begin asking the right questions.*

A basic understanding of the functions, operations and components of an electronic cash register (ECR) is essential if you are to make the best possible selection of an ECR system to fill your particular needs. Without this knowledge, your selection is likely to be a random one, influenced by fast-talking or ill-informed salespersons, by casual advice based on limited knowledge from a business acquaintance or by your own instinctive but poorly informed reaction.

To begin with, what is an ECR? An ECR is a cash control device with electronic, rather than manual or mechanical, moving parts. Almost all modern ECRs function as microcomputers or as parts of systems with separate mini-computer units. Like other computers, ECRs work at tremendously high speeds to store data and information for future use or to process data that are fed into them. They generate information by doing various computations of the data put into them (input) and printing the information you need (output) for the different aspects of your business.

There are four basic configurations of ECRs currently available: the stand-alone system, the master/slave system, the back room mini-computer system, and the independently shared memory system.

Four basic ECRs . . .

A stand-alone ECR is just that. It can operate independently of any other ECR or computer. It contains its own micro-processor capable of storing, recalling and working with the input you provide. It can also be made to communicate with other stand-alone ECRs and with peripheral equipment, such as printers (see Figure 1).

The advantages of a stand-alone ECR are

1.) It has the essential capabilities of larger systems and is therefore appropriate for one register operations.

2.) It is the least expensive way to go.

The disadvantages of a stand-alone ECR are

1.) If the hardware of software malfunctions, the entire system is rendered inoperable.

2.) Data cannot be consolidated with more than one unit in a system configuration.

The second configuration, the master/slave, requires two or more ECRs to be linked together by hardwire. Although linked ECRs are usually identical in operation, there is always one exception. One register in the system, the master, contains the central processing unit (CPU) which can be referred to as the "brain." The others, the slaves, are referred to as "dumb" terminals because, while they have I/0 capabilities, they cannot process or compile data into reports (see Figure 2).

Multiple register configurations . . .

The advantages of a master/slave ECR are

1.) It is the least expensive (per unit) of the multiple register configurations.

2.) If a "slave" goes down, it can be replaced by another unit without causing the entire system to go down.

The disadvantages of a master/slave ECR are

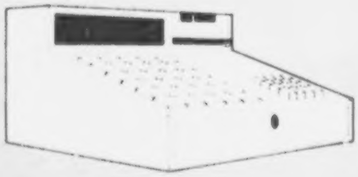
1.) When the "master" register is down, the whole system is inoperable.

2.) It has limited processing capabilities. This reduces the overall flexibility of the system.

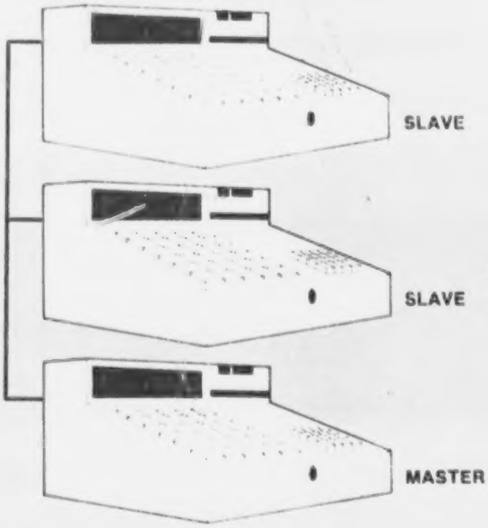
The third configuration, the back room mini-computer system, works on the principle of the master/slave system—except that the central processing unit is not in a register. Instead, the processor is in a separate unit usually located in the back office area (see Figure 3).

The advantages of the back room computer ECR are that it has a large amount of storage and processing capability and it is cost-effective.

The disadvantages of the back room computer ECR are



Stand alone ECR
Figure 1



Master/slave system
Figure 2

1.) It has more complicated installation procedures.

2.) When the central processing unit is down, the entire system is down.

The fourth type of register configuration, independently shared memory, is neither a stand-alone ECR nor a master/slave configuration. Independently shared memory (ISM) has registers that have stand-alone capabilities with the additional function of being able to access, duplicate and/or manipulate all other registers' memory files.

An example of this would be a system where each register can perform all the functions of a stand-alone with the exception that any foodserver can access needed information via the other registers in the system. This configuration requires a hardwire hookup between each register. As with all types of register systems, there are varying degrees of capabilities. The ISM configuration can range from a simple consolidating system to a multi-terminal pre-check/cashier system (see Figure 4).

Advantages of independently shared memory . . .

The advantages of an independently shared memory are

1.) Each register has some capability of a stand-alone unit but can communicate and/or consolidate data.

2.) If one register is down, the system does not become inoperable.

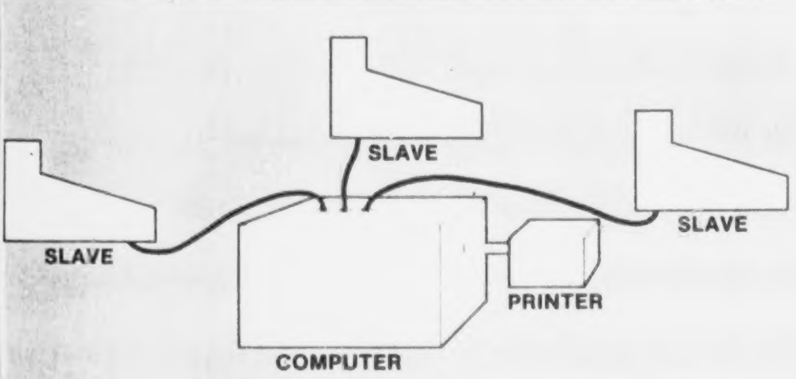
The disadvantages of an independently shared memory are possible inefficiency resulting from redundant processing by multiple registers as well as expense. The larger the configuration, the less cost effective each register becomes.

You probably need only one configuration for your business. Before you can identify which of the various ECR systems is the right one for you, however, you must identify the problem areas in your restaurant.

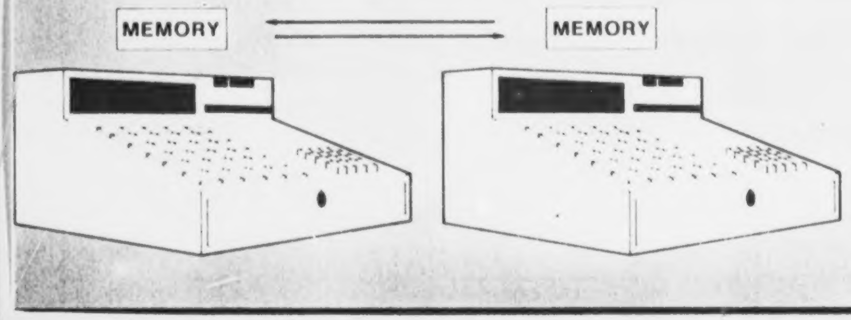
For step-by-step procedures, consult *The Restaurateur's Guide to Electronic Cash Register Selection*. Other topics covered in the manual include analyzing guest service and back-office operations and contacting potential vendors. This manual does not make recommendations on particular manufacturers.

> **"Before you can identify which ECR is for you, you must identify the problem areas in your restaurant."**

For a copy of the manual, contact Educational Materials Center, NRA, 311 First St., NW, Washington, DC 20001; (800) 424-5156. Ask for MG 152. The cost of the manual is $25.



Back room mini-computer
Figure 3



Independently shared memory
Figure 4

EDUCATION

Finding a crew of superstars

Ask a group of restaurateurs to discuss hourly employees and the following topics are bound to come up: turnover, absenteeism, tardiness, theft, productivity, discipline, recruitment and selection.

Although the problems connected with hiring and selection are industry-wide, they don't have to be. According to James W. Moffa, who teaches NRA's educational seminar Hiring Hourly Employees, it is possible to assemble and retain a top-notch crew of superstars. The key, he says, is organization.

Moreover, by investing time in your hiring practices, you can avoid time consuming and costly mistakes. The first step is to understand your needs.

Job descriptions provide road maps . . .

Drafting job descriptions for all your employees will serve several important purposes. One, it will help you select the right candidates for the job and determine what training, if any, they may need. Two, it will remind employees about their specific duties and responsibilities, giving them a road map to follow from the very beginning. And three, it can help staff members develop career paths by exposing them to the requirements of other positions.

What should be included in a job description? Put in pertinent personnel information, such as title, reporting procedures, salary and job category; the scope and specific duties of the job; position specifications.

When you compile job descriptions, don't overlook employees who are currently in those positions. Not only can they tell you most accurately what they do and how they accomplish each task, but you'll also give them recognition by implying they are doing their jobs well.

> ***"Just as you would not open the doors for business with an empty refrigerator, you cannot effectively recruit, hire and train new employees without proper planning and preparation."***

Job ads can market your restaurant. . .

"When you advertise to fill job vacancies," says Moffa, "you've got to provide prospective candidates with enough information to perk their interest. This is particularly important because you want to attract enthusiastic people to fill jobs with high customer contact."

You should also consider running your job ads in a place in the newspaper other than the traditional "classifieds" section. According to Moffa, the food or sports sections are excellent alternatives. "This way, people who are not actively looking for a job will see your ad. At the same time, you are targeting your market, reaching the types of individuals best suited for your position," Moffa explains.

The best ads also market your restaurant, he adds. "Even if people do not apply for employment, your ad might motivate them to eat in your restaurant."

Ways for you to stay in charge of the interview. . .

Interviews are the next step. Take care of scheduling the interviews yourself. In your ads, ask candidates to call for appointments. This gives you the opportunity to do preliminary screening on the telephone and to schedule interviews at your convenience.

When it comes time to interview,

- Begin by introducing yourself. Then try to put the applicant at ease by discussing something neutral or telling an anecdote.
- Once the applicant is relaxed, establish control. Discuss the job and your organization.
- Ask permission to take notes. Jot down information you want to remember.
- Prepare questions in advance. If possible, make them open-ended. This encourages applicants to talk, giving you more information than you'd get from a simple "yes" or "no."
- Pay attention to how the applicant discusses past jobs and how the individual relates to authority.
- Maintain eye contact. Acknowledge responses, indicating you understand. Do not interrupt.
- Remember that each applicant is a potential customer in your restaurant.

"Be sure not to give a negative impression," urges Moffa. "You always want people to leave with a good feeling about your operation. If you think the interviewee is a viable candidate," says Moffa, "the next step is to sell your company. Take the candidate on a tour of the kitchen or offer a sample of your food." Finally, hire the person you feel will do the best job.

If you are intrigued by these tips, you can get more information by attending an upcoming session of Hiring Hourly Employees. Future seminars are scheduled for September 7 in Charlotte, NC; September 10 in Tampa, FL and September 28 in Cleveland, OH.

For more information, contact the NRA Seminar Department at (800) 424-5156 or (202) 638-6100.

FOODSERVICE TRENDS

How consumers make the decision to eat out

The decisions involved in eating out differ from circumstance to circumstance, according to results of a new NRA consumer attitude and behavior study, *How Consumers Make the Decision to Eat Out*.*

This report examines why people eat out at fast food, family, coffee shop and atmosphere/specialty restaurants; when they make the decision to eat out, who influences the decision and what attributes are important when choosing a restaurant.

This information can help restaurateurs develop advertising copy and promotions and can be used to structure or restructure foodservice operations to be in line with what customers want and expect.

Fast food and family restaurants chosen shortly before eating out . . .

The decision on where to eat is made differently depending on restaurant type. The decision to go to a fast food or family restaurant is usually made "spur of the moment" while deciding to go to an upscale restaurant generally requires more planning—perhaps due to the need to make reservations.

Six out of 10 respondents reported that they decided which fast food restaurant to go to immediately before eating out and another 26 percent made the decision within two hours of eating. Of family restaurant patrons, 41.7 percent decided where to eat immediately before going there, 33.7 percent made the decision within two hours of eating, and 21.4 percent decided where to eat more than two hours before eating out but on the same day.

One-fourth of upscale restaurant customers reported that they decided which restaurant to go to more than a day in advance of eating out—compared to only 3.5 percent and 2.3 percent for fast food and family restaurant patrons. Still, a large proportion of atmosphere restaurant decisions are "spur-of-the-moment." Thirty-three percent of the respondents reported they chose the restaurant immediately before going there and 28.6 percent selected the restaurant within two hours of dining.

Children influence choice of restaurant . . .

Children under 13 and teenagers both influence the choice of restaurant. Twenty-four percent of children under 13—who were present at a recent fast food meal occasion—had a say in whether or not the family should eat out and 36.6 percent helped select the fast food restaurant.

Teenagers also influence the choice of fast food restaurants. Nearly half of the teenagers present at a recent fast food meal occasion were influential in choosing the restaurant, and 36.6 percent helped decide whether or not the group should eat out. Adults, on the other hand, have more say in the actual decision to eat out than in the selection of the restaurant.

Adults, on the other hand, have more say in the actual decision to eat out than in the selection of the restaurant.

Children and teenagers are also part of the decision-making process when families dine at family-type restaurants, but their influence is not as strong as in the decision-making process for fast food eating places. Fifteen percent of the children under 13, who ate at a family restaurant, had a say in whether or not to eat out and 25.7 percent helped select the restaurant.

When do consumers decide which restaurant to patronize

When decision was made	Fast food restaurant	Family restaurant	Atmosphere restaurant
Immediately before eating out	58.8%	41.7%	33.0%
Within two hours of eating out	26.1	33.7	28.6
More than two hours before eating out, but on the same day	5.0	21.4	6.6
More than a day in advance of eating out	3.5	2.3	26.5
Do not know	6.7	0.8	5.2

Source: *How Consumers Make the Decision to Eat Out*, National Restaurant Association, June 1982.

**This study is based on results of a telephone survey conducted in November 1981 for the National Restaurant Association by the research firm Westat. The random sample of 800 households reflects the composition of the American population. Only individuals 18 years old or older, who had eaten out at least once in the two weeks prior to the survey, were interviewed.*

Who helps make the decisions to eat out

Party member	Percent of party members at fast food restaurants who influenced decision on: Eating out	Percent of party members at fast food restaurants who influenced decision on: Which restaurant	Percent of party members at family restaurants who influenced decision on: Eating out	Percent of party members at family restaurants who influenced decision on: Which restaurant
Spouse or date	50.8%	47.7%	64.8%	64.2%
Children under 13	24.1	36.6	15.0	25.7
Children 13 to 17	36.6	49.5	16.2	32.4
Adult relatives other than spouse	55.9	45.8	57.0	53.3
Friends	54.4	48.2	38.0	54.2
Respondent*	59.3	52.3	61.1	59.6

*Does not include occasions on which the respondent was alone.

Source: *How Consumers Make the Decision to Eat Out*, National Restaurant Association, June 1982.

The corresponding proportions for teenagers are 16.2 percent and 32.4 percent, respectively. Adults have considerably more say in the decision-making process for a family-type restaurant than for a fast food place, as shown in the accompanying table.

Few parties at atmosphere or upscale restaurants include children or teenagers and, as a result, their influence on the decision-making process for this restaurant type is minimal.

Spouses and friends exert substantial influence on whether or not the group should eat out and where.

Considerably more information on the decision-making process for eating out is available in the complete study report. *How Consumers Make the Decision to Eat Out* discusses why consumers eat out, analyzes differences among demographic groups and explains what attributes—such as price, service, food quality—are considered when choosing a restaurant.

A copy of the report is available from NRA's Educational Materials Center, 311 First St., N.W., Washington, DC, 20001 or by calling, toll-free (800) 424-5156. The price is $25 for members and $45 for non-members. (When ordering, please specify number CS 960.)

Lodging place sales estimates revised

The National Restaurant Association has revised its lodging place sales estimates for years 1973 to 1980. These revisions are based on information from the recently released *1977 Census of Selected Service Industries* and amend those previously published in *Foodservice Trends* and the *Foodservice Sales Panorama*. Lodging place sales estimates for 1981 and 1982 have not been revised and, therefore, are not comparable with those presented below. (Revisions to 1981 and 1982 sales figures will be published in the December 1982 "Foodservice Trends" section of *NRA News*.)

Revised lodging place sales, 1973-1980

	1973	1974	1975	1976	1977	1978	1979	1980
Hotel restaurants	$1,968,801	$2,216,770	$2,538,202	$2,923,555	$3,267,735	$3,738,856	$4,109,463	$4,439,576
Motor hotel restaurants	474,167	501,648	547,898	594,567	629,184	686,754	742,518	791,227
Motel restaurants	915,020	943,244	1,006,535	1,077,328	1,133,350	1,226,398	1,301,331	1,368,009
Total lodging places	**$3,357,988**	**$3,661,662**	**$4,092,635**	**$4,595,450**	**$5,030,269**	**$5,652,008**	**$6,153,312**	**$6,598,812**

Source: *Malcolm M. Knapp, Inc.; National Restaurant Association.*

CREST reports on popularity of entree items

Chicken, Chinese food, onion rings, tea and wine were the fastest growing items in restaurants in the CREST year beginning September 1980 and ending August 1981.

These findings are a result of a recent survey on menu product positioning in which CREST analyzed the change in the frequency of ordering menu items as well as changes in the incidence of ordering entrees by meal occasion.

By studying the results of this survey restaurant operators can determine which new food or beverage item they might add to their menus to help build traffic at specific meal occasions.

Chicken fastest growing entree. . .

According to the CREST study findings, chicken was the fastest growing entree in 1981. Orders for chicken were up 19 percent from the year earlier—compared with a two-percent gain for the industry as a whole. Chicken's above average growth is due, in part, to the recent introduction of chicken sandwiches at many fast food restaurants.

Chinese food also experienced rapid growth in 1981; servings were up 13 percent from the year before. Orders for veal and main dish salad rose nine percent. Mexican food and pizza followed with gains of four percent and three percent, respectively.

In contrast, ham, hot dogs, fish sandwiches, hamburgers and pork experienced a decline in the number of servings in 1981. Ham, for example, was down 10 percent.

Onion rings gaining in popularity. . .

Onion rings experienced the largest gain in the number of side-dish servings in 1981—up nine percent from the year earlier. Breakfast potatoes followed with a seven-percent increase, and baked/mashed potatoes were up five percent.

Next in the number of servings were french fries and soup—up two percent, the same rate as for the industry as a whole. Salads had a gain of one percent. Vegetables were the only side dish to experience a decline in the number of orders in 1981—down one percent from the year before.

Tea and wine fastest growing beverages. . .

Demand for tea and wine grew faster than that for other beverages in 1981—five percent. Soft drink orders were up four percent while servings for coffee and milk experienced no change from the prior year.

The number of servings for shakes fell seven percent from 1980—the largest decline for any beverage item in 1981. Orders for beer and cocktails also fell—down one percent from the year before.

Forty-one percent of all entrees are ordered at lunch. According to CREST results, consumers showed a preference for hot dogs and salads at the midday meal, as 59 and 58 percent of orders, respectively, occurred at lunch. More than half of total orders for fish sandwiches, chicken sandwiches, roast beef sandwiches, cheeseburgers and hamburgers also occurred at lunch.

Pizza and Chinese food preferred at supper. . .

Over half, 51 percent, of total entrees were ordered at the evening meal. Consumers showed a preference for pizza and Chinese food at this meal occasion as 72 percent and 71 percent of orders, respectively, occurred at supper. Fish and veal followed with 69 percent of the orders for each of these entrees. Pasta, beef and chicken were also ordered more often at supper than at other meal periods. The CREST study found no preference for Mexican and pork entrees by meal occasion.

Percent change in number of orders, 1981 vs. 1980

Entrees	Percent change
[illegible]	[illegible]
Chinese food	13
[illegible]	[illegible]
Salads	9
[illegible]	[illegible]
Pizza	3
[illegible]	[illegible]
Hamburgers	– 2
[illegible]	[illegible]
Hot dogs	– 6
[illegible]	[illegible]
Side dishes	
Onion rings	9
[illegible]	[illegible]
Baked/mashed potatoes	5
[illegible]	[illegible]
Soup	2
[illegible]	[illegible]
Vegetables	– 1
Beverages	
[illegible]	[illegible]
Wine	5
[illegible]	[illegible]
Coffee	nc
[illegible]	[illegible]
Beer	– 1
[illegible]	[illegible]
Shakes	– 7
Total industry	**2**

Note: *Percent change is from CREST year ending August 1980 versus year ending August 1981.*
nc = no change

Source: *CREST, NPD Research, Inc.*

Consumer Analysis

This report compares domestic travel during March 1982 with domestic travel during August 1981. The purpose is to examine restaurant habits of travelers during a light travel month, such as March, with those of travelers during a heavy travel month, such as August. To gather the necessary data, the National Restaurant Association included several proprietary questions on the March 1982 National Travel Survey (NTS). The same questions had been included on the NTS survey for August 1981.*

Restaurant spending habits of domestic travelers

March 82 vs. August 81

Highlights

- **Domestic travelers** spent $3.3 billion in the nation's restaurants during March 1982. They spent more than double that amount—$7.6 billion—during August 1981.
- On average, **each travel party** spent $22 per day on restaurant meals and snacks in March 1982, approximating the August 1981 level of $23. However, total spending per trip was higher during August than March—$129 compared with $114.
- Parties traveling during March ate out an average of 6.4 times per trip, slightly above the 6.1 times reported in August 1981.
- The average number of visits to **upscale restaurants** (where the average per person check is more than $5.00) was higher in March than August—3.0 times versus 2.1 times.
- More people traveled to a **business meeting** or convention in March than in August—26 percent versus 12 percent.
- **Airline and business travelers** had the largest restaurant expenditures among March travelers, averaging $27 and $28 per day. In August 1981 these figures were $31 and $24, respectively.
- March airline and business travelers visited upscale restaurants about twice as often as the average traveler—6.4 and 5.7 times, respectively. In contrast, August airline and business travelers visited upscale restaurants—5.1 and 2.9 times, respectively.

**The National Travel Survey (NTS) is conducted monthly by the U.S. Travel Data Center, the national non-profit center for travel and tourism research. Over 1,000 adults are interviewed by telephone concerning their travel in the prior month and the results are projectable to the national population. Interviewing for this study was conducted during the first week of April 1982 and respondents were queried about any trips they or their families had taken during March. The results are based only on trips of 100 miles or more one way.*

Domestic travelers spent $3.3 billion in restaurants during March. . .

Domestic travelers spent a total of $3.3 billion in the nation's restaurants during March. This figure includes spending for meals and snacks as well as for tips and sales tax by both vacation and business travelers. After adjusting for tips and sales tax, NRA estimates travelers contributed approximately $2.6 billion to industry sales during March, the equivalent of two percent of projected total annual Commercial Group food and beverage sales.

This compares with a considerably larger $6.4 billion total, or six percent of 1981 Commercial Group food and beverage sales, spent by August 1981 travelers. Higher total restaurant expenditures by persons traveling during August can be attributed in part to a larger number of people vacationing or traveling on weekends during the summer months.

In addition, the survey revealed some significant differences in restaurant habits between people traveling during March and those traveling in August. March travelers, on average, spent $22 per day on restaurant meals and snacks—not much less than the $23 per day average spent by August travelers. Total restaurant spending per trip, however, was higher during August than March—$129 compared with $114.

Parties traveling during March reported eating out an average of 6.4 times during their trip, slightly above the August level of 6.1. Business and air travelers had the highest frequency of eating out—9.0 and 9.7 times in March, respectively. Persons traveling for pleasure visited restaurants an average of 7.4 times in March and 7.3 times in August 1981 while auto travelers reported eating out 5.2 times during their March trip and 5.3 times during August 1981. Persons visiting friends or relatives had the lowest number of restaurant visits—4.0 times in March and 4.3 times in August.

Fewer adults traveled during March. . .

Fewer adults traveled during March than August. Seventeen percent of the U.S. adult population took at least one trip during March, compared with a considerably larger proportion—34 percent—in August.

When asked to indicate the primary reason for their trip, 37 percent of the respondents to the March survey said their trip involved visiting friends or relatives, while 27 percent indicated they traveled for entertainment or outdoor recreation. In contrast, 31 percent of respondents to the August 1981 survey stated that they traveled to visit friends or relatives while 45 percent said they traveled for entertainment and outdoor recreation.

Business travelers were more important to the restaurant industry in March than August when 26 percent of travelers indicated that a business meeting or convention was the primary reason for their trip. This is considerably higher than the 12 percent reporting they traveled for business reasons during August 1981.

The average distance for a trip in March 1982 was 900 miles, compared with 840 miles in August 1981. Business travelers reported an average trip length of 940 miles while pleasure travelers went 1,000 miles. The average distance for an airline trip in March was 1,940 miles versus 580 for an auto trip.

The average number of nights away from home for all travelers during March was somewhat shorter than in August—5.2 nights versus 5.6 nights. However, persons traveling for pleasure were away longer in March—6.8 nights—than during August—5.8 nights. Air travelers were also away longer in March than in August—8.1 nights versus 7.7 nights. Average trip duration for persons traveling to a business meeting or convention in March was 4.3 nights, similar to the August level of 4.4 nights.

On the other hand, persons traveling to visit friends or relatives were away 4.6 nights during March, well below the August level of 6.1 nights. Auto travelers also had a shorter trip duration in March than August—3.9 nights compared with 5.1 nights.

Almost half, 49 percent, of March travelers stayed at a hotel or motel versus a smaller proportion, 40 percent, in August 1981. Seventy percent of business travelers and 46 percent of airline travelers reported using such accommodations in March. These percentages were higher in August—with 75 percent of business travelers and 61 percent of airline travelers staying at hotels and motels. In contrast, more pleasure travelers reported staying at hotels and motels in March 1982 than during August 1981—54 percent versus 47 percent.

Restaurant expenditures vary by income level and age group. . .

Restaurant expenditures by travelers vary by income level and age group. Persons from households with an annual income of $30,000 and over spent an average of $31 per day on restaurant meals and snacks while traveling in March—more than three times the $9.00 daily average spent by persons from households earning less than $10,000. Persons from households earning between $10,000 and $30,000 spent an average of $17 per day in commercial eating establishments.

In comparison, persons from families with an income of $30,000 and over also had the highest daily average restaurant expenditures during August—$28. This is twice the $14 daily average spent by persons from households earning less than $10,000. Persons from households with an income between $10,000 and $20,000 spent an average of $21 per day during their August trip while those earning between $20,000 and $30,000 averaged $22 per day.

Daily restaurant expenditures by travelers

Percent spending	March 1982	August 1981
$ 1-$5	6%	7%
$ 6-$10	4	4
$10-$19	15	19
$20-$29	20	19
$30-$39	12	10
$40-$59	12	16
$60 and over	11	7
Did not eat out	21	18
Average spent per day	$ 22	$ 23
Daily average per person	$ 11	$ 11
Average total per trip	$114	$129

Source: National Travel Survey, *U.S. Travel Data Center, National Restaurant Association.*

Of respondents traveling in March, those between the ages of 55 and 64 spent the most money on restaurant meals and snacks—$26 daily. Close behind were those in the 45 to 54 age group, who spent $25, and those between the ages of 25 to 34, who spent $23. Persons 65 years old and over spent significantly less on restaurant meals and snacks during their March trips than did travelers in other age groups—an average of $13 per day.

Among August travelers, persons between the ages of 25 to 34 had the highest daily average restaurant expenditures—$27—while those from both the 35 to 44 and 45 to 54 age groups spent an average of $25 per day. Persons 65 years and over were close behind with an average of $24 per day. Those spending the least on restaurant meals and snacks were between the ages of 55 to 64—a daily average of $18.

Business travelers have highest daily restaurant expenditures in March. . .

Daily restaurant spending habits vary considerably when reason for trip and principal mode of transportation are analyzed. Business and pleasure travelers usually spend more than the daily average for all travel parties while those visiting friends or relatives usually spend less.

Business travelers spent an average of $28 per day for restaurant meals and snacks during March, well above the $22 daily average for all travelers. Business travelers in August 1981, on the other hand, spent an average of $24 per day, just slightly above the $23 daily average.

People traveling to a business meeting or convention in March ate out more often than did their August counterparts—an average of 9.0 times compared with 6.9 times. Business travelers also tended to visit upscale restaurants more frequently in March—5.7 times—than in August—2.9 times.

Restaurant expenditures by pleasure travelers averaged $26 per day during their March trip, similar to the August 1981 level of $25 per day.

On the other hand, persons traveling to visit friends or relatives have the lowest daily restaurant expenditures. These travel parties spent an average of $13 per day in commercial eating establishments during March, well below the August 1981 level of $20. As mentioned earlier, persons traveling to visit friends or relatives were away for a somewhat shorter period of time in March than in August—4.6 nights versus 6.1 nights—contributing to their lower daily average spending. Lower restaurant expenditures by these travelers also reflect their tendency to dine at home with their hosts.

Respondents to the March 1982 survey who indicated that they traveled by air spent considerably more on restaurant meals and snacks than those who traveled by car—$27 versus $20. In comparison, the figures for air and auto travelers in August were $31 and $22, respectively.

Business and air travelers tend to patronize upscale restaurants. . .

Business and air travelers dined out more frequently at upscale restaurants (where the average per person check is more than $5.00) than the average March traveler. Persons traveling

Average number of visits to various restaurant types by travelers

Restaurant type	March 1982	August 1981
Fast food	1.4	1.4
Cafeteria	0.4	0.4
Moderate price restaurant*	1.4	1.8
Upscale restaurant**	3.0	2.1
Recreation or amusement park	0.2	0.4
Total visits	**6.4**	**6.1**

**Average per person check under $5.00*
***Average per person check over $5.00*

Source: National Travel Survey, *U.S. Travel Data Center, National Restaurant Association.*

to a business meeting or convention in March reported eating at this restaurant type an average of 5.7 times during their trip versus only 3.0 times for all travelers. In comparison, in August 1981 business travelers ate at upscale restaurants three times while the average traveler visited upscale restaurants twice. Airline travelers reported eating at upscale restaurants an average of 6.4 times during their March trip, substantially higher than the August level of 5.1

Pleasure travelers ate out more often at upscale and moderate priced restaurants—3.0 times and 1.9 times—than at fast food restaurants and cafeterias—1.4 times and 0.7 times. On the other hand, persons visiting friends or relatives ate out most frequently at fast food restaurants—1.4 times.

These figures were very similar to those in the August 1981 survey where pleasure travelers indicated visiting upscale restaurants 2.6 times, moderate-priced restaurants 2.4 times, fast food restaurants 1.4 times and cafeterias 0.3 times. Persons visiting friends or relatives in August ate at fast food restaurants 1.5 times.

Business travelers spent considerably more than all travelers for restaurant meals and snacks on a daily per person basis. According to survey results, March business travelers spent $20 per person per day in restaurants—substantially more than the average spent by all travelers taken as a group—$11. As the spending figures indicate, business travelers ate out more frequently than the aggregate of all persons traveling during March—9.0 times versus 6.4 times. In addition, they had a considerably higher average number of visits to upscale restaurants than all travelers—5.7 compared with 3.0

In contrast, persons traveling for business during August 1981 had daily restaurant expenditures of $13 each. Previous NRA surveys also have shown that business travelers are more likely to patronize restaurants while traveling than do vacationers. (See October 1979 *Foodservice Trends.*)

Pleasure travelers reported spending $12 on restaurant meals and snacks on a daily per person basis during their March trip, twice the $6 average spent by persons visiting friends or relatives. In comparison, persons traveling for pleasure during August 1981 had daily restaurant expenditures of $11 while those visiting friends or relatives spent an average of $10.

March travelers who reached their destinations by air spent considerably more in commercial eating establishments on a daily per capita basis than did auto travelers—$17 versus $10. This compares with $21 and $10, in August 1981.

How CREST data can help you

CREST—Consumer Reports on Eating Share Trends—provides restaurant operators with information on measures of industry performance, such as customer traffic and sales by restaurant type and meal occasion.

The purpose of the CREST study is to help restaurant operators understand industry trends and put these trends to use in planning advertising and promotional campaigns, menu additions or beginning new meal period service.

In addition, since CREST is an ongoing study, it allows comparison against a standard, enabling restaurant operators to make decisions based on documented trends rather than casual observation. The following sample answers on typical industry questions demonstrate how restaurant operators can put CREST data to work for them.

Question: I operate a fast food restaurant. During the spring customer traffic was up 3.0 percent. Is this increase on par with performance nationally?

Answer: CREST data show that customer traffic for all restaurants declined 0.7 percent in March, April and May from the same period a year ago. However, fast food restaurants experienced a 1.7 percent gain in customer counts during this period.

Question: I am choosing a location for a new dinner house restaurant. How far will people travel to reach a restaurant of this type?

Answer: It took patrons an average of 17.8 minutes to reach a dinner house restaurant during the spring quarter, nearly six minutes more than the average of 11.9 for all restaurants.

Question: I am considering adding chicken, fish or main dish salad to my menu. Which of these items has experienced the most rapid growth in terms of order frequency?

Answer: Although figures for the year may be different from those in any one quarter, in spring 1982 main dish salads were eaten more frequently than in spring 1981—on 3.3 percent of meal occasions, up from 2.6 percent in 1981. Chicken was ordered as often in spring 1982 as in spring 1981—on 8.5 percent of the occasions. However, patrons were ordering fish/seafood items less often as the percent of occasions on which this item was ordered fell to 6.5 percent in the March-April-May period from 6.9 percent during the same quarter a year ago.

For further information about CREST studies, contact NRA's research and information services department, 311 First St., N.W., Washington, DC 20001.

CREST REPORT

CREST highlights

- **Customer traffic at the nation's restaurants declined 0.7 percent during the spring quarter following four consecutive periods of growth.**
- **CREST data indicate that fewer families were eating out during the March-April-May period and that they were eating out less often as well.**
- **CREST industry sales increased a modest 2.6 percent in the spring quarter over sales for the same period during 1981.**
- **The use of promotions continued to increase—11.6 percent of meal occasions involved a promotion during the spring CREST quarter, up from 9.4 percent during the same three-month period a year ago.**
- **Family and fast food restaurants posted modest gains in traffic in the spring quarter—4.8 percent and 1.5 percent, respectively. However, customer counts declined at coffee shops and cafeterias as well as at atmosphere/specialty and take out restaurants.**
- **Restaurant traffic advanced at breakfast and supper in the most recent CREST period, but customer counts declined for the mid-day meal.**

Customer traffic down one percent

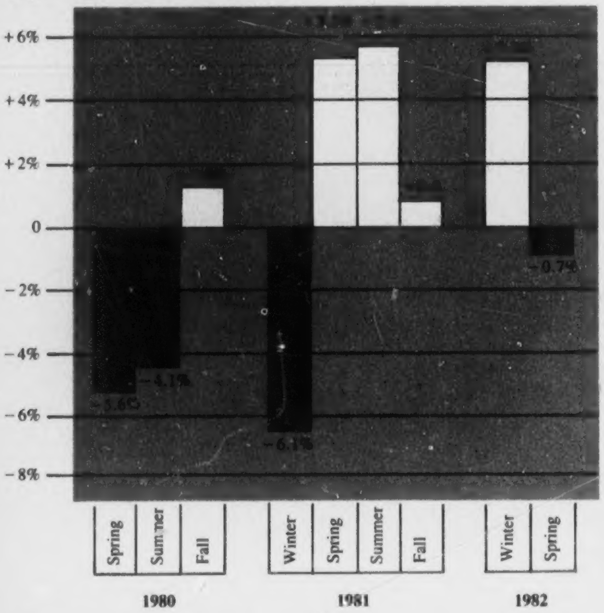
Customer traffic at the nation's restaurants declined in the spring quarter following four consecutive periods of growth. Customer counts fell 0.7 percent during March, April and May 1982 from the same three-month period in 1981. This compares with gains of 5.2 percent in the winter quarter, 0.8 percent in the fall quarter and 5.6 percent during the summer quarter.

Although the continuing recession and high level of unemployment probably contributed to the cutback in the number of restaurant visits during the spring quarter, CREST researchers believe the poor performance also may have been exacerbated by the strong 5.3 percent gain in traffic during the March-April-May period last year.

Gallup's "Monthly Monitor of Eating Out," which tracks consumer behavior in the eating-away-from-home market, reported similar findings for the three-month period. An average of 38 percent of the people interviewed in Gallup's March, April and May surveys reported eating out at least once dur-

Percent change in quarterly customer traffic

(Spring '80-Spring '82)



Note: *Percent change is from same quarter in prior year*
Source: *CREST, NPD Research, Inc.*

ing the preceding day—unchanged from the same quarter in 1981.

However, industry performance is expected to improve during the second half of 1982. According to the Bureau of Economic Analysis, real Gross National Product (GNP)—adjusted for inflation—increased in the second quarter. This may mark the end of the recession. In addition, the climate for consumer spending should improve as inflation continues to moderate and because of the increase in disposable personal income, resulting from the July 1, 1982 tax cut.

NRA's forecast calls for eating places to experience positive real growth of two percent in 1982—after a real gain of one percent in 1981.

Families dining out less often . . .

The average number of times families visited restaurants in the spring quarter (visit frequency) fell 3.2 percent from the same period a year ago. The proportion of families in the eating-away-from-home market declined as well, also contributing to the drop in traffic.

An analysis of visit frequency by restaurant type shows that cafeterias experienced the largest drop of any restaurant category during the spring quarter—down 6.2 percent. Family restaurants followed with a much smaller decrease—1.8 percent. Close behind were coffee shops and atmosphere/specialty restaurants—down 1.6 percent and 1.5 percent, respectively.

Fast food and take-out restaurants experienced no change in visit frequency during the spring quarter from the same three-month period in the prior year.

Restaurant sales up only 2.6 percent . . .

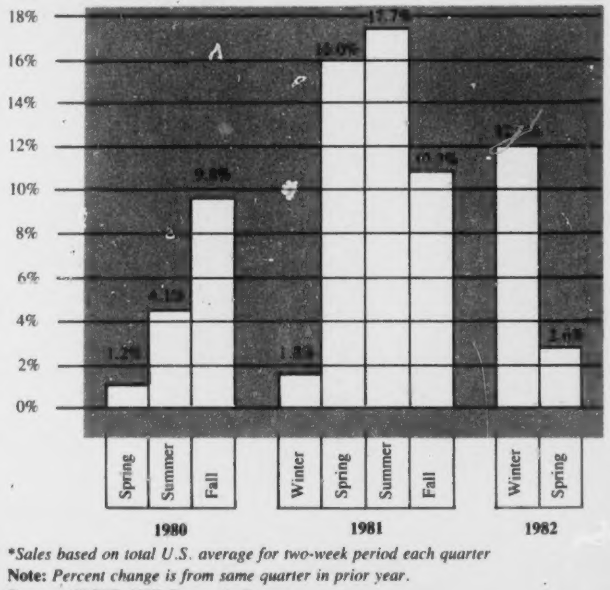
CREST sales posted a modest increase in the spring quarter following four consecutive periods of strong growth. Sales rose 2.6 percent in the March-April-May period from the same quarter in the prior year. This compares with a considerably stronger 12.0 percent advance recorded in the previous winter quarter and a 10.3 percent gain in the fall quarter.

The average expenditure for a restaurant meal or snack—per person check size continued to moderate in the spring quarter—up 3.3 percent. This compares with more rapid gains of 6.3 percent and 9.3 percent in the winter and fall quarters, respectively. In addition, the 3.3 percent rise in the most recent CREST period is well below the 5.7 percent increase in menu prices measured by the Consumer Price Index (CPI) for food away from home during the three-month period.

Restaurant operators are continuing to use promotions as a means of building customer traffic. In the spring quarter, 11.6 percent of the meal occasions involved a promotion—up from 9.4 percent during the same three-month period in 1981.

Percent change in quarterly CREST sales*

(Spring '80-Spring '82)



**Sales based on total U.S. average for two-week period each quarter*
Note: *Percent change is from same quarter in prior year.*
Source: *CREST, NPD Research, Inc.*

However, promotional usage declined somewhat from the 12.5 percent level reached in the previous winter quarter (December-January-February).

A look at promotional usage by restaurant type shows that fast food and family restaurants use promotions more frequently than other restaurant types. Promotions were used for 15.6 percent of the meal occasions at fast food restaurants in the most recent CREST quarter—up from 12 percent during the same period a year ago. The use of promotions at family restaurants increased from 8.5 percent of the occasions in the 1981 spring quarter to 11.4 percent in the most recent CREST period.

Traffic increases at family and fast food restaurants . . .

Family and fast food restaurants posted modest gains in traffic during the spring quarter, but customer counts declined at coffee shops and cafeterias as well as at atmosphere/specialty and take-out restaurants.

Traffic rose 4.8 percent at family restaurants in the spring quarter from the same three-month period in the prior year, following a considerably stronger 10.0 percent gain in the previous winter quarter. More families were eating out at this restaurant type in the most recent CREST period contributing to the increase in traffic. Promotions were used heavily—11.4 percent of meal occasions—at family restaurants in the spring quarter. This, along with a moderate 2.5 percent advance in check size may have resulted in consumers perceiving they were getting more value for their money at a family restaurant.

Customer counts at fast food restaurants rose 1.5 percent in the March-April-May period over the same quarter in 1981. This was considerably slower than the 7.1 percent gain posted during the winter quarter. Fast food restaurants experienced no change in the number of visits by patron families in the spring quarter. However, there was a slight increase in party size (the average number of persons per occasion), most likely accounting for the modest rise in traffic.

Promotions were used on 15.6 percent of meal occasions at fast food restaurants during the spring CREST period—up from 12.0 percent in the spring of 1981. The per person check size rose a moderate 1.6 percent at fast food restaurants in March, April and May—well below the 3.3 percent increase for all restaurants.

Atmosphere/specialty restaurants posted a 5.4 percent decline in customer traffic in the most recent CREST quarter compared to the same three-month period a year ago. This decline continues the 2.4 percent decrease experienced in the winter quarter. Visit frequency was down at this restaurant type as was the proportion of families eating out. Consumers may have altered their eating-out behavior in response to the economic conditions by "trading down" or going to less expensive restaurants. (See *NRA NEWS*, May 1982.)

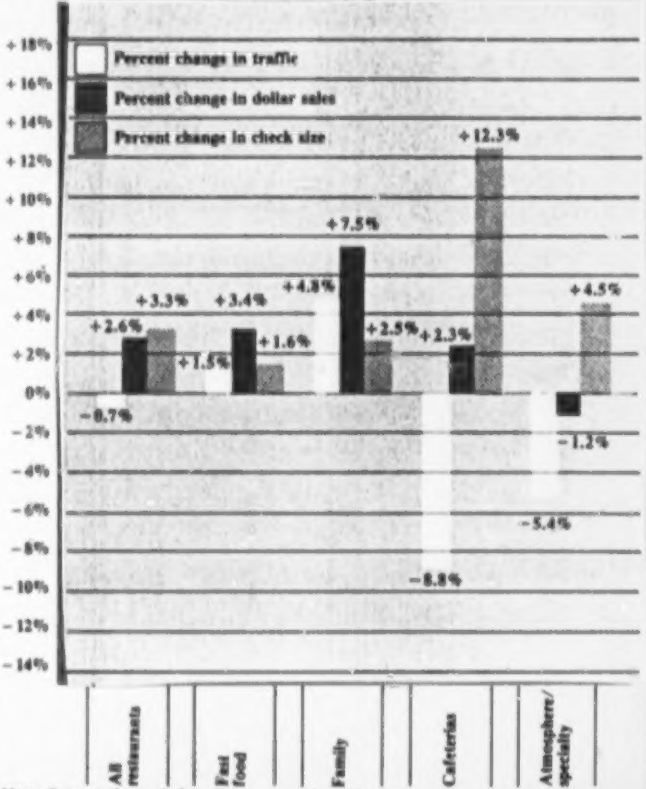
In addition, the per person check size rose 4.5 percent at atmosphere/specialty restaurants well above the 3.3 percent increase for all restaurants and promotional usage was up only slightly, accounting for 10 percent of meal occasions, compared with 9.8 percent for the same three-month period in 1981. As a result, some patrons may have perceived a poor price/value relationship for a meal at this type of restaurant.

Coffee shops, cafeterias and take-out restaurants also posted declines in traffic during the most recent CREST period. The decrease in customer counts for these restaurant categories can be attributed to fewer families eating out. In addition, coffee shops and cafeterias experienced a decline in visit frequency during the spring quarter, contributing to the drop in traffic.

Traffic up for breakfast and supper . . .

Growth in breakfast traffic slowed considerably in the spring quarter—up a modest 1.2 percent from the same period in 1981. This contrasts with substantially stronger gains of 14.6 percent and 8.5 percent in the winter and fall quarters,

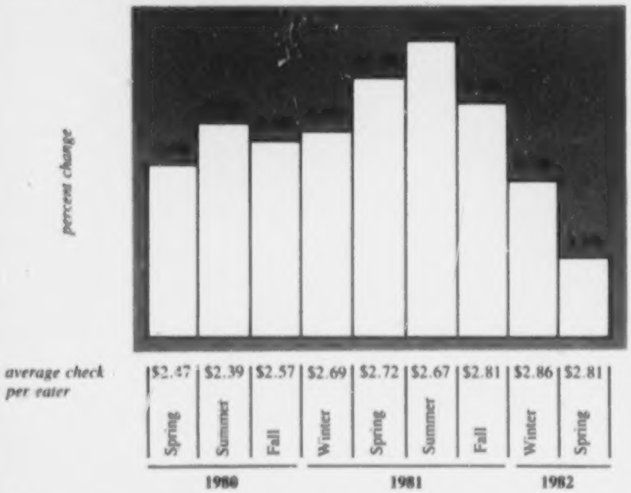
Spring quarter performance by select restaurant type



Note: *Percent change is from same quarter in prior year.*
Source: *CREST, NPD Research, Inc.*

Average per person check*

(Spring '80-Spring '82)



*Based on average two-week period
Note: *Percent change is from same month in prior year.*
Source: *CREST, NPD Research, Inc.*

respectively. More families were eating out for breakfast during the spring quarter, contributing to the rise in traffic. Promotions accounted for 10.8 percent of breakfast occasions during the most recent CREST quarter, up from 6.1 percent in the same period a year ago. Breakfast posted a 3.1 percent rise in average check size during the March-April-May period, approximating the 3.3 percent gain for all restaurants.

Supper had the largest rise in restaurant traffic during the spring quarter—up 2.7 percent from the same three-month period a year ago. This follows a considerably stronger 6.2 percent advance recorded in the previous winter quarter. Although there was no change in the proportion of families eating out at supper nor in the number of visits by families during the spring quarter, party size did rise slightly—probably accounting for the increase in traffic.

The per person check size at supper advanced a moderate 1.6 percent in the spring CREST quarter, well below the 3.3 percent rise for all restaurants. Promotional usage was on the increase for the evening meal during March, April and May accounting for 16.2 percent of occasions. This was up from 13.5 percent in the same quarter a year ago. Taken together, these factors may have led some consumers to perceive a favorable price/value relationship for the evening meal and contributed to the above average rise in customer counts.

Restaurant traffic for the mid-day meal fell 3.1 percent during the spring quarter from the same three-month period in 1981. This contrasts with gains of 2.1 percent in the winter quarter and 3.8 percent in the fall quarter. Fewer families were eating lunch out during March, April and May, and they were eating out less often as well—accounting for the decline in traffic. Higher unemployment may also have been a factor in slower traffic at lunch. Unemployment reached 9.3 percent during the most recent CREST period—up from 7.4 percent in the same period in 1981.

Snacking occasions recorded a 2.8 percent decline in customer counts during the spring quarter from the same period a year ago. This follows a strong 5.4 percent increase in the winter quarter. Fewer families were eating out at this meal occasion during March, April and May, and they were snacking less often as well—accounting for the drop in traffic.

What is CREST?

Launched in September 1975, the CREST (Consumer Reports on Eating Share Trends) survey is designed to track expenditures and behavior in the commercial segment of the foodservice industry. While the study does track chain trends, it contains a great deal more data, including information by type and classification of restaurant and also by meal or snack period.

Some 10,000 families, or approximately 30,000 persons, participate in the study. They have been selected to represent the demographic patterns in the U.S. Each family is asked to record restaurant experiences for a particular two-week period for each of the four quarters during the year. Because the study is repetitive, it creates an excellent opportunity to follow changing trends.

In order to properly complete the CREST diary, several steps are involved. Step 1 requires that each household member make a daily entry for each meal during the two-week period. Whenever the code for restaurant purchases appears, the participant is asked to elaborate on the occasion by making further entries in the diary.

The second portion of the diary is used only if a household member ate or obtained food prepared away from home in establishments such as restaurants, hotels and motels, fast food/drive-ins, delicatessens, refreshment stands, carryouts, coffee shops, donut shops, ice cream shops or eating places inside variety stores or other retail stores. The diary will not include any meals eaten at schools, hospitals, colleges, or other institutional feeding places. When the two-week reporting period is complete, the diary is returned to NPD Research, Inc.

The CREST study is a joint effort of individual foodservice organizations acting in concert to fund a study perhaps beyond the economic reach of any of the individual participants. NRA is solely a participant in this study and not a sponsor. Readers wishing more information on how to participate in the CREST study should contact NPD Research, Inc., 9801 West Higgins Road, Rosemont, IL 60081.

The CREST study is designed to provide information on customer behavior, not attitudes. This study will, therefore, provide the user with information on how much people spend, where they spend, what they spend on and so forth. It will not tell people's attitudes toward a particular issue. Because it is an ongoing study, it will allow comparison against a standard—and aid in the development of trend analysis. This enables the operator to make decisions based on documented trends rather than on casual observation.

Industry index

Sales at eating and drinking places increased 10.7 percent in June 1982 over the same month a year ago. This increase follows a somewhat slower 8.4 percent gain in May.

Eating place sales advanced 6.8 percent in April over the same period in 1981 with inflation-adjusted sales up 1.5 percent. This growth is in line with NRA's forecast that eating places will experience real growth of two percent in 1982, compared with the somewhat slower—1.0 percent—gain in 1981.

Menu prices, based on the Consumer Price Index (CPI) for food away from home, increased 5.4 percent in May over the same month a year ago. This approximates the 5.3 percent gain of April. However menu prices are rising at a much slower pace than the overall rate of inflation.

Prices for food at home have been rising at a slower rate than food away from home, according to the Bureau of Labor Statistics' Consumer Price Index (CPI). Prices for food at home rose 4.5 percent in May over the same month in 1981, compared with a somewhat lower, 3.4 percent, increase in April.

Retail sales ($000,000)

	June 1982	percent change vs. June year ago	year-to-date sales 1982	percent change vs. year ago
All retailers	$89,798	+2.8%	$505,986	+2.5%
Eating & drinking places	9,054	10.7	49,132	8.0
Food stores	20,981	[illegible]	[illegible]	5.7

Source: *Bureau of Census, unadjusted data; sub[illegible]*

Eating place indicators (000,000)

	April 1982	percent change vs. year ago	year-to-date sales	percent change vs. year ago
Eating place sales	$7,361	6.8%	$27,362	7.1%
Real eating place sales (April)	—	+1.5%	—	+1.2%

Sources: *Bureau of Census, Bureau of Labor Statistics, NRA calculations; subject to revision*

Consumer prices

	percent change vs. May year ago	percent change 1982-to-date vs. year ago	
Food at home	+4.5%	+3.8%	
Food away from home	5.4	5.8	
All items less food	7.1	7.8	

Source: *Bureau of Labor Statistics*

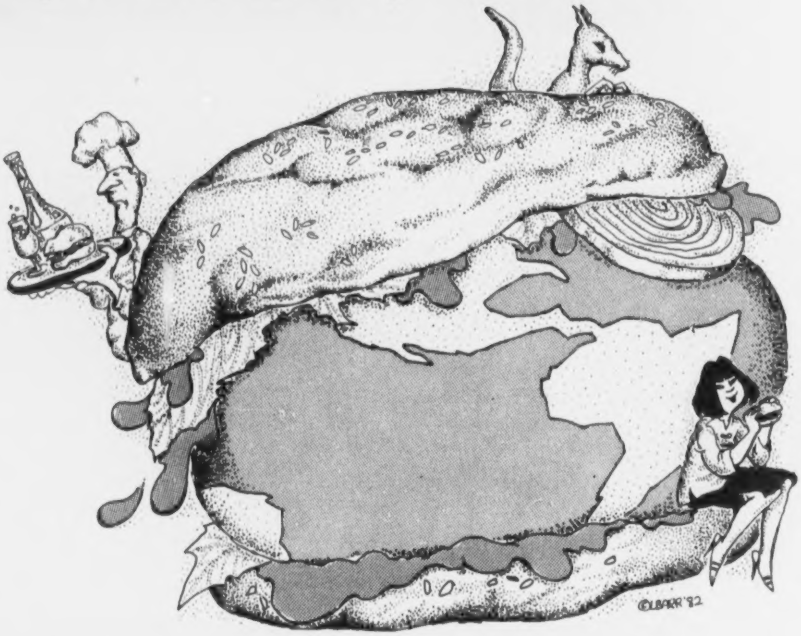
Employment and earnings

	April 1982	percent change vs. year ago
Total employment	4,825.9 employees	1.8%
Non-supervisory employment	4,443.3 employees	1.7
Non-supervisory average hourly earnings	$4.05 per hour	3.3
Average weekly hours	26.0 hours	0.8

Source: *Bureau of Labor Statistics*

International food trends

Fast food catching on in Europe, the Orient, Australia



The quick lunch or dinner is catching on all over the globe—but not always as we know it here. This special report shows how several countries have adapted the trend toward "fast food" eating to suit the tastes and temperaments of their people.

France's *haute cuisine* may be in trouble

1982 is a difficult year for ***haute cuisine*** *in France. In fact, the winds of change are blowing so rapidly they may bring an end to a great chapter in the history of French cooking and many of France's elegant restaurants. In this article freelance writer Roberta Sabban looks at recent trends in France's foodservice industry, trends she believes may soon make their way across the Atlantic.*

The first thing to hit the restaurant business in France this year was a 30 percent tax on business meals. Businessmen may no longer deduct meals as business expenses if their home office is in the same town as their residence. If a meal is declared, the 30 percent tax is levied. Some clever Frenchmen, in an effort to beat the system, send their restaurant receipts to cohorts in other cities and they, in turn, send their receipts. Although French businessmen have found a way around the tax, French restaurateurs have not. The day the tax went into effect, their business, already pinched, fell off even more.

Then came the mandatory 39-hour

work week, including consecutive days off, and five weeks of paid vacation. A worker's dream, right? Well, not exactly. What dedicated chef can work 39 hours a week and maintain quality? What waiter, captain or wine steward can make enough money working 39 hours at minimum wages in a half-empty restaurant?

A lot of people, who have dedicated their lives to *haute cuisine*, are seeing the work of a lifetime go down the drain.

Corporate dining rooms. . .

To pick up the slack, corporate dining rooms have begun to pop up like wild mushrooms. Management sees them as a good investment: Corporate dining rooms require a minimum of space and personnel, and they encourage executives to spend less time eating lunch.

There are other alternatives to the traditional French lunch or dinner. The Hippopotamus is a successful mini chain of restaurants in Paris. Each restaurant has live plants, canned popular music, and newspapers and magazines at the door for waiting customers to read and tables that measure about 30 inches in diameter, placed tightly together. The setting is neither quiet nor comfortable, but the French public is willing to put up with a bit of discomfort for a decent meal at a fair price. There are long lines to get a seat, and the tables turn four times per service.

The menu offers different cuts of grilled steaks priced between $6 and $10, served on a wooden plank. The price of the meal includes a huge mound of match stick french fries or a salad. The high profit items are the appetizers and desserts. French pastries no longer get top billing; instead most desserts are ice cream creations.

Although the older generations turn up their noses at McDonald's golden arches, French teenagers and students have embraced hamburgers and Big Mac's as well as other American fast food franchises. The main reason for the success of these chains has been that they are open at times when many restaurants are closed, to fit in with the irregular hours of students, so students can grab a bite between classes.

Sandwich chains with U.S. branches. . .

Another type of formula restaurant has recently opened up in areas where there is heavy foot traffic. It serves *brioche* and *croissant* sandwiches that are wholesome and filling and can be carried into the bus or metro. These sandwiches are good value for the money and are so popular that some of these chains have opened branches in the United States.

In another departure with tradition, the French are entertaining more frequently at home. A recent survey found that 72 percent of the French would rather have friends dine at their homes than eat out, and 36 percent said they intend to eat out less frequently in the future. Although on the one hand this is bad for the restaurant business, on the other hand it may not be. *Traiteurs* are a popular type of catering/carryout business found in almost every neighborhood. Some well-known chefs have opened their own businesses selling their creations to the public. On any given day, one can buy a whole decorated poached salmon, a boned leg of lamb and dessert for 20 without any advance notice.

These changes may be only the beginning of fast food inroads into the traditional French style of dining. Microwave ovens and commercial dishwashing machines are gaining wide commercial acceptance. Many chefs liked what they saw at food shows and bought this modern equipment for their own kitchens. How this equipment will affect French restaurants is still unclear. However wine stewards are already wringing their hands. The residue left on glasses by detergents in dishwashing machines can change the nose and taste of fine wines and quickly turn a vintage champagne flat.

Not in France alone. . .

The quick lunch or dinner is also catching on in other European countries. In Switzerland, for example, limited menu steak houses with western themes, checkered tablecloths, barn siding and canned American music are competing with the more traditional, spacious grills where businessmen linger over well-garnished meals.

Also popular are convenience stores featuring fresh fruit, chocolate bars, wines and mounds of sandwiches in plastic wrap. And for those in a super hurry, the old New York automat is alive, well and gleaming with everything from refrigerated dairy products to household items, such as soaps.

As the cost of living increases, Europe's food habits are changing. The quick lunch or dinner seems to have arrived on the continent to stay.

Fast Food: a hit in Hong Kong

by Frena Bloomfield

Few thought it could be done, yet over the past five years American food has turned Hong Kong on its head.

The older people were dubious. They would shake their heads and say, "We Chinese have eaten our kind of food for three thousand years and we shall keep it that way."

But they were wrong. Wrong by a million hamburgers a month. Wrong by half a million milkshakes and barrels of bagels and lox, and gallons of chocolate chip ice cream and Pepsi, Coke and Fanta. American food has made a big hit with Hong Kong's younger generation. They are as likely to down a Big Mac as a plateful of chow mein and perhaps more likely to drink a coke than Chinese tea.

New choices applauded. . .

Daniel Ng, a Ph.D. who opened the first McDonald's in Hong Kong five years ago, applauds the new choices.

Ng speaks from a vantage point of success. He is the biggest employer of part-time workers in Hong Kong (2,000 shift workers), and each month he imports 200,000 pounds of food from the United States. Half the order is potatoes; another quarter is meat. And he is still building new branches.

His experience is very different from that of Colonel Sanders' Kentucky Fried Chicken. The main reason given for its failure was that the Chinese know all about producing delicious chicken themselves and do not need the Colonel's secret recipe.

Locals copy success. . .

But it seems you can't keep Yankee ingenuity down, and now Hong Kong plays host not only to McDonald's but also to Burger King, the Pizza Hut and a growing chain of American-style pizza restaurants called The Spaghetti House. The locals have been quick to copy success and several Hong Kong food chains now produce hamburgers, french fries, milk-shakes and carbonated beverages. Pizza is available all over Hong Kong.

Hong Kong also has its share of local delis that serve Jewish-American food with a little Tex-Mex on the side. The first of these, Lindy's, opened 12 years ago amid many predictions that it would fail in a city noted for its excellent Chinese and European cuisine.

Lindy's, however, opened up in the tourist district of Tsim Sha Tsui, and it gave tourists far from home a little taste of New York City. It offered genuine bagels, lox, cream cheese, pastrami sandwiches and other 46th-Street specialities. It flourished, and soon a second branch was opened in Hong Kong's business district.

At first this restaurant was patronized mostly by American bankers and businessmen, but now it is packed, lunchtime and evening, with a mix of Chinese and foreigners, with the Chinese in the majority.

Sweets have never figured very high in Chinese cooking and perhaps that is exactly why the young in particular have gone overboard for ice cream. It makes a lot of sense in a climate that matches New York's in the summer. Many of the popular American ice cream brands like Drey's and Swensen's are on sale here; and rumor has it that Baskin-Robbins, with its scores of flavors, is on its way.

A Japanese Buddhist priest enjoys french fries while he rests on the stone stairs of a temple in Kamakura, an ancient center of Buddhist culture.

Fast food, Australian style

Contrary to common misconceptions, kangaroo meat is not an Australian staple (although the gamey, beefy dark meat is delicious when used in such dishes as kangaroo-tail soup and Bolognese sauce). To find out what Australians like to eat, NRA News *talked with Elise Pascoe, Australia's popular chef, food writer and teacher, when she represented her country at the International Food and Wine Expo this spring. Here is what she said about the Australian foodservice industry.*

Australia is poised between two culinary invasions: one that is now dominating the food scene and one that is just on its way.

Only 25 years ago, the Australian foodservice industry was tied to England's apron strings. Britain dictated food preferences and eating habits until Australia liberalized its immigration policy and throngs of foreigners came from far and near, bringing their national dishes with them.

Today moussaka, tortellini, spring rolls and curries have cornered the market once dominated by Beef Wellington and other Anglo-Saxon favorites.

At least once a week, the average Australian dines at suburban neighborhood storefronts that have been converted to ethnic eateries. Although Greek and Italian dishes are now the rage, it is the French cuisine that has been elevated to national acceptance. Australia's grand chefs have taken the fresh indigenous produce (which runs the gamut from apricots to rabbits) and prepared them along traditional French lines, adapting recipes and techniques to accommodate differences in the hemispheres.

Australian wines on way . . .

Along with a greater range of food choices and increased sophistication in the national cuisine, Australians—traditionally beer drinkers—have developed a fondness for Australian table wines, which they bring with them when they eat out. (Most Australian restaurants have a "bring your own" policy.) The reason for the switch, Pascoe believes, is that Australian wines are on par with the finest in the world. The Australian government is giving the wine industry a boost by keeping a lid on local taxes and helping develop an export program. The U.S. market is a major target.

At a time when Australia is embarking on an ambitious export program, it is on the verge of another culinary invasion. Fast food is making its way to Australia—but not as it is known in this country or in continental Europe.

According to Pascoe, American franchises—despite their financial backing—have only a small following in Australia because fast food, like foreign recipes, must be adapted to suit Australians.

Fast food, Australian style. . .

Pascoe believes that although Australians are ready for quick lunches and dinners, they still want to sit down to eat their meals and are not willing to give up the superior foods they have learned to love. She is so certain of this impression that this summer Pascoe is opening what she calls an "upmarket" fast food restaurant in downtown Sydney which she hopes will capture the fancy of the business crowd at lunch and pre-theater diners in the evening. Her operation will feature "food you would be proud to serve at home" at moderate prices in a sophisticated setting. Pascoe expects the 180 seats will turn twice at each meal.

Pascoe's plan for success includes not only good food and a sophisticated marketing scheme (which targeted the location) but also an innovative work schedule. At a time when most foodservers work split shifts and weekends, Pascoe plans to lure some of Sydney's best chefs with her Monday through Friday straight shifts. To cover the hours of operation, Pascoe will stagger shifts.

What is Pascoe up against? The traditional family-owned and run operation which is a favorite with Australians. The most popular establishments are those where part of the clan is in the kitchen and the rest is upfront.

Pascoe is confident that her fast food idea will catch on and that she will open up branches in Melbourne and the posh resort town of Surfer's Paradise. This may be the beginning of a chain-store restaurant in a country where, till now, only the individually-owned operation has enjoyed popularity and support.

TECHNICAL SERVICES

You need properly conditioned water

All foodservice operators are familiar with scale buildup in dishwashers, hot water heaters and equipment such as steam tables and coffee urns. Scale restricts proper flow of water through spray nozzles and other parts causing your dishwasher to operate at less than top efficiency. A 1/16 inch scale buildup will cause hot water heaters to consume 20 percent more energy, thereby increasing cost of running the equipment.

Properly conditioned water will reduce scale buildup. It will also improve the efficiency and longevity of your equipment, conserve energy and enhance the foods and beverages prepared in your restaurant.

Water is never really pure. Rain, when it starts to fall, begins to gather dust, organisms, gases and minerals. When it begins its flow over and through the earth's crust, it picks up additional impurities. Small amounts of these impurities can cause problems for the restaurateur. The most common of these problems revolves around water hardness caused by traces of calcium and magnesium.

To classify water hardness, the U.S. government has established the following guidelines:

• less than one grain per gallon	soft
• one to 3.5 grains per gallon	moderately hard
• 3.5 to 7.0 grains per gallon	hard
• 7.0 to 10.5 grains per gallon	very hard
• 10.5 grains and over per gallon	extremely hard

The measure "grains per gallon" is the equivalent of 17.1 parts per million. Put another way, an aspirin is typically five grains; so if you have five grains of hardness in a gallon of water, you have that much calcium or magnesium dissolved in it.

To determine if the water in your restaurant requires treatment, you need to analyze the water. That is the only sure way to tell. Because conditions vary within a city, you shouldn't depend upon results from an analysis of a restaurant down the street or from one of your facilities in another part of town.

How to condition water . . .

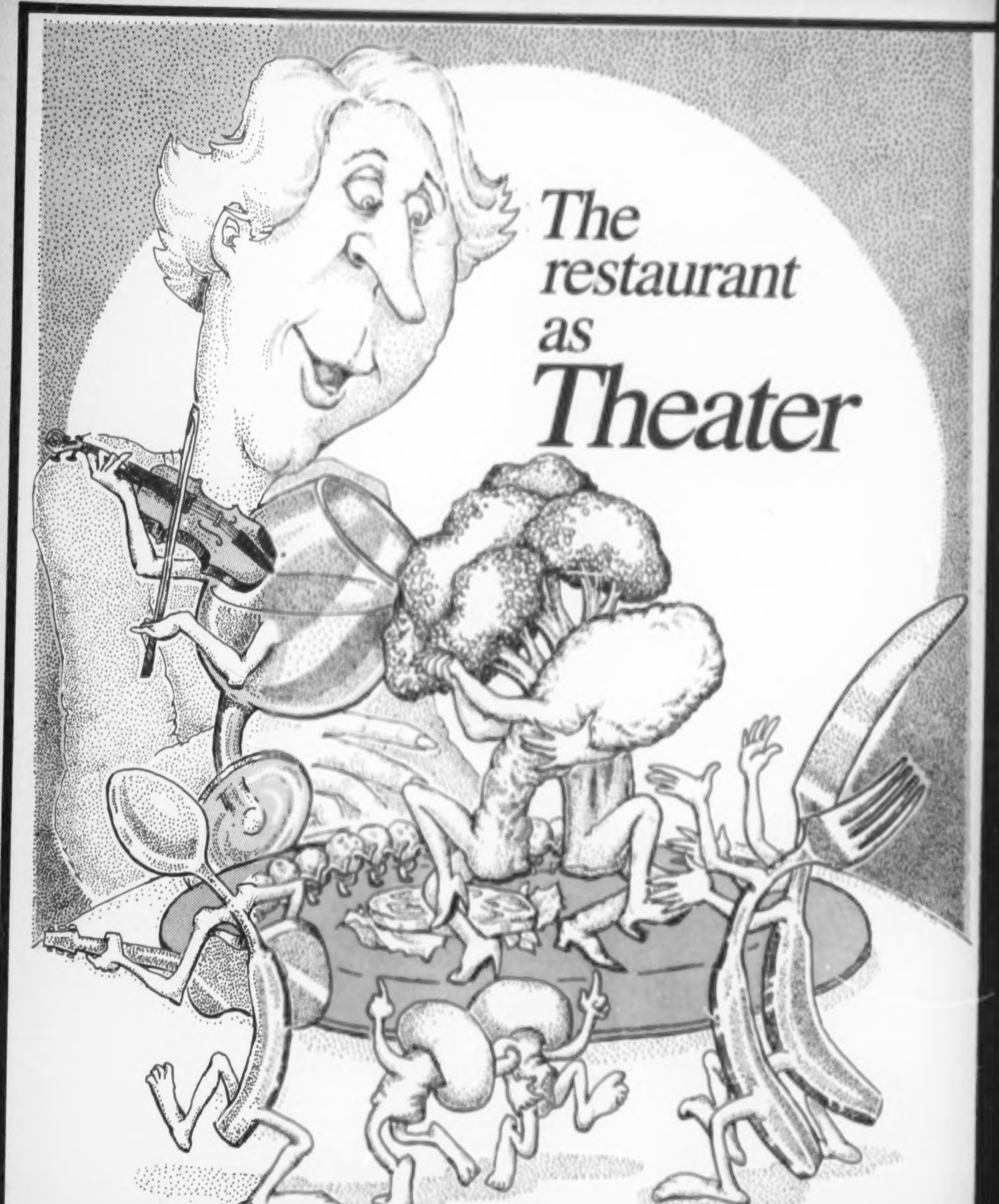
Softeners which remove minerals by ion exchange are the most widely used conditioners. Water—when flowing through a softener—exchanges calcium and magnesium ions for sodium ions. Sodium ions are not scale forming.

Other available treatments include

- **Reverse osmosis**—In osmosis, flowing liquid picks up solids. Reverse osmosis does just the opposite—the liquid flows from a state of high concentration of solids to one of low concentration of solids.
- **Deionization**—This process removes unwanted ions from water.
- **Filters**—Activated carbon filters are used to remove objectionable tastes and odors, such as excessive chlorine.

Deionization and reverse osmosis are both used to treat water for use in ice machines and beverages. Filters will also significantly improve beverage quality.

The restaurant as Theater



Styles in dining, like styles in fashion, change. People aren't eating what they used to. Gone is the predominance of the standard roast beef and mashed potato dinner. In its place has come a growing preference for chicken and ethnic foods and a new interest in soup and other once-dismissed side dishes.

Study after study demonstrates that the American diner has become more adventurous—not only in his choices of foods but also in his expectations of service. People are going out to eat, to be sure, but also to be entertained, to have an adventure, to try something new.

What do these changes mean for restaurateurs? They mean more imagination and novelty in the way foodservice operators should approach customers. They suggest a need for new ways of presenting and marketing meals and new ways to promote the dining out experience. Dinner, in the main, is no longer a prelude to a movie or an aftermath to a play. The restaurant has become the theater; dining out has become the show.

What people are eating. . .

Reports of what people like to eat and drink vary from study to study. In general, recent findings suggest that people are eating more ethnic foods, more chicken and more side dishes; and they are drinking much more wine. (For one example of food choices, see CREST results on page 24). What diners order at any given meal is influenced by any of a number of factors—cost-consciousness, the thrill of trying something different, nutritional value or a recently discovered favorite.

Any or all of these motivators can become effective marketing devices for you, the restaurateur.

Soup, for example, used to be dismissed as an appetizer. Now restaurants like Andersen's in Buellton, California, offer soup as a meal in itself—promoting its wholesome, hearty, cost-effective qualities—and they are making money at it. Andersen's sells two million bowls of soup a year at $2.75.

Wine, on the other hand, used to be the domain of the sophisticate until exposure and advertising revealed its versatile possibilities. Now wineries are offering more varieties than ever before and are introducing new light wines on the market. Restaurateurs have responded to increased wine consumption by offering a larger selection of fine wines—both by the bottle and by the glass.

How to take advantage of food trends. . .

"You have to make your restaurant stand apart from all the rest," urges Ron Plummer of the New York advertising agency Mandabach & Simms. If everyone else has a champagne brunch, why not feature an ethnic food festival, an all-the-sweets-you-can-eat brunch, a strawberry festival or a wine or beer tasting.

If, on the other hand, everybody else serves fettuccini Alfredo in a plain white sauce, add a mystery ingredient. That's what Sam Stelletello of the San Francisco Bar and Grill in Chicago did. He added fresh mushrooms and broccoli and then named the dish fettuccini Stelletello. By doing this, he not only kept the entree uniquely his own but also helped patrons remember what they ate where.

To get ideas for creative entrees, you can borrow what you see elsewhere, spin off ideas you read in the trade press or develop dishes based on free information and merchandise from your distributors.

Once you've developed several dishes uniquely your own, promote, promote, promote. If your menu includes the new popular pasta, Mexican, or soup dishes, you can advertise "pass de pasta" night, promote "Mexican matinees" to capture the luncheon crowd, or serve bowls of soup for two or more people and bill them as "group soups."

Promotions can be done on any day of the year. On Shakespeare's birthday, you can advertise, "Red wine or white wine, that is the question," and offer a taste test. On Mother's Day, you can offer a special dinner for mom for a dollar or two less than for other guests. During National Chocolate Week, you can offer a chocolate sweetheart dessert with two spoons.

You can create a festival around almost anything. The Geja Cafe in Chicago, for example, has held successful champagne and sherry festivals. The champagne festival featured 13 champagnes, served by the glass and by the bottle. The festival began with a Sunday seminar/tasting, conducted by the director of the Champagne News and Information Bureau.

However, you don't have to wait for a special idea to promote. Food promotions can be general—such as "rainy day" specials when the weather is bad, or "Tuesdays are 2's days," when you can sell two helpings of an entree, drink or dessert for the price of one.

Once you get the customer into your restaurant, food is your best advertisement.

- Use spotlights on all tables and food areas. This creates an intimate atmosphere, enhances the appeal of food and drinks and increases orders. According to one study, 95 percent of all restaurants that changed to table spot lighting increased drink sales by 100 percent.
- Experiment with unusual garnishes, and ask foodservers to come up with creative presentations. They'll be glad to and good at it. It will add some pizzazz into their routine.
- Describe everything on the menu, and make sure your foodservers have tasted everything. Nothing sounds worse than when a waiter says he isn't allowed to sample the food.
- Involve your customer at every opportunity. Whether it's setting up an ice cream crepe bar where customers can make their own dessert, or bringing a potato cart to the table so the customers can choose their own topping, don't forget that customers come to restaurants to be entertained. They'll love watching the dessert cart that lights up like a Christmas tree or looking at the label of the house wine.

Whatever you decide to do, don't forget dining out has become an adventure. The more ingenious you can make the experience, the more likely it will be remembered, discussed and sought after.

It's still possible to make inroads with chicken

Chicken continues to do well in today's market for three major reasons: its price, its versatility and its health advantages. According to CREST data published in this issue, chicken was the fastest growing entree in 1981—up 19 percent over 1980.

Joe Kennedy, proprietor of Chicken George—a rapidly growing family franchise in the Southeast, is just the man to tell you how to take advantage of chicken's popularity. Kennedy has produced a prize-winning product that has been ranked number one by newspapers and magazines in such markets as Washington, Baltimore and Philadelphia. Kennedy attributes the success of his chain to creative merchandising methods.

For example, two days before the basketball playoffs in Philadelphia, Chicken George gave away 6,500 dinners to salute the 76ers. This led to television and newspaper coverage and growing customer awareness. "Too often people do the same kind of activities as all the other companies. We try to do activities that are unique and different," explains Kennedy.

Other successful promotions included an evening of free entertainment at the Carter Barron Amphitheatre in Washington, DC, as well as the cosponsoring of a 10,000 meter race that was tied in with every sporting goods store in the nation's capital.

The lesson to be learned here is that tried-and-true products can be turned to a restaurateur's advantage if he or she remembers that even quality goods must be promoted.

Creative merchandising is the secret of Chicken George's success.

AT YOUR SERVICE

Answers to your questions about foodservice

*N*ext time you have a question about foodservice, the answer could come from NRA. Each day NRA's information service and library staff responds to some 35 requests for information. Here are several sample questions and answers to give you some idea of the range of materials the staff has at its fingertips.

Q. Is there a comprehensive listing of American colleges that have programs in hotel, restaurant and institutional management?

A. The NRA can provide two separate listings: one on senior college programs and one on junior college and community college programs.

Q. What is the average salary for a unit manager?

A. According to *NRA's Executive Compensation and Benefits in the Foodservice Industry Study*, the salary averages $17,800 but detailed information by type of operation, sales volume and other characteristics is available. The study, which can be obtained from NRA's educational materials center, also identifies salaries of personnel in the central office, at the unit level and at the regional level. Other information featured in the study includes data on annual bonus or incentive, annual profit sharing and total estimated cost of benefits.

Q. I would like to spark up my summer beverage menu. What suggestions do you have?

A. For those hot summer nights, you may want to consider adding cool, non-alcoholic beverages such as "starburst punch," which combines 1½ quarts chilled gingerale, 1½ quarts chilled apple juice, one pint fresh unhulled strawberries or raspberries and one cup seedless grapes.

Q. How can I attract new customers to my restaurant?

A. All-you-can-eat specials appear to be effective in attracting new customers, especially if advertising for such an offer emphasizes the high quality of food service.

Q. I am interested in starting a salad bar. Can you provide me with a listing of companies that have salad bar equipment?

A. The *NRA Exhibit Guide and Program for the 63rd Annual NRA Restaurant Hotel-Motel Show* includes alphabetical company listings as well as product listings for various foodservice items, including salad bar equipment.

If you'd like a copy of the brochure that describes NRA's information service and library, call (800) 424-5156.

STATE DEPARTMENT

Bob Michel briefs restaurateurs

"One of the exciting activities currently being pursued by the National Restaurant Association is its cosponsorship of legislative breakfasts with state restaurant associations," says Andrew Kelly, president of the Illinois Restaurant Association.

According to Kelly, these legislative breakfasts open lines of communication between foodservice operators and key legislative leaders. This contact, explains Kelly, will ultimately affect the success of getting industry views known to legislators.

One recent legislative breakfast held in Illinois was with Robert Michel, minority leader of the U.S. House of Representatives. What follows is a report of that meeting.

Thirteen-term Congressman Bob Michel (R-IL)—Republican Whip for six years and now Republican leader of the House of Representatives—took time out from his busy schedule in late June to speak to a group of restaurateurs in his hometown of Peoria, IL. During a breakfast meeting organized by the Illinois Restaurant Association and NRA, Michel met with about 40 foodservice operators.

In private life, Michel is vice president of Towne House Inn, Inc., a motel-restaurant complex in Morton, IL. Michel said that after he was elected to Congress he decided to get involved in the restaurant business "because I thought it was an industry that Congress would have very little to do with, and so I couldn't be accused of acting in my own interest on a vote that might affect the industry. But lo and behold, several years after I got in the business, minimum wage and tip credit issues came up; and since then it's been just one thing after another.

"What it demonstrates," Michel said, "is that there's not a day that goes by that you aren't affected by what's happening in Washington. You just can't escape it."

At the meeting with restaurateurs, Michel was introduced by former Illinois Governor William Stratton—also a restaurateur. The congressman briefly reviewed those issues in Washington most pressing to restaurateurs and then opened the floor for questions. Below are some of Michel's insights on the issues.

On the importance of grassroots lobbying: "Our effectiveness when I was Whip came from working with the private sector to bring pressure to bear upon individual congressmen. That's really the best way to do it. It's the people back home who make the difference."

On H.R. 6103, a bill that would expand wage and hour law enforcement: "Though the legislation has been reported out of the Education and Labor Committee, I'm not altogether sure it will be scheduled anytime soon for House consideration. I'm inclined to think that some of the provisions in the bill would either be amended on the floor or, if passed, would be severe enough to cause the Senate to turn thumbs down on it." (See separate story on H.R. 6103 in *Washington Report*.)

On proposed beef grading changes: "There are those who would like to change the grading system. I personally do not support what some of the proposals would do, and I don't think most restaurateurs do either. In other words, I still think there ought to be differentiation between 'Prime', 'Choice', 'Good' and the rest."

On illegal aliens: "I suspect that although this is a hot item, in an election year those congressmen from the west and south will be very reluctant to do too much to restrict or make demands upon illegal aliens. I personally feel that the problem has become so profound that we either have to move toward a penalty for those who employ people without proper identification or to some other mechanism to impose restrictions."

On increasing federal taxes on cigarettes, alcohol, beer and wine: "I spoke to the President about this when he first considered it back in January. I said, 'Mr. President, times are bad, and the average working man is really feeling it. Be very careful about an excise tax on beer or cigarettes or on the kinds of things that a fella gets a little enjoyment from when he puts his feet up on the old hassock after work.'"

On energy tax credits for commercial businesses: "I don't think there will be much that's new in this area. I think the thing we have to guard against is a tax on imported oil to raise new revenue. I hope that's on the back burner; I think it is in the House."

On urban enterprise zones: "This is a program geared for the long haul. It's going to take time to develop, and it is certainly not anything that will spark us out of the immediate recession."

On interest rates: "Of the available pool of capital out there for borrowing, the federal government is now in it over 50 percent. Until we get that figure down to a third, or preferably 20 to 25 percent, you won't see any appreciable changes."

Ohio syrup tax update

As *NRA News* reported in this column last month, the Ohio State Restaurant Association was successful in getting the Ohio soft drink syrup tax to end December 31, 1982. The repeal of the tax is estimated to save restaurateurs a minimum of $30 million over the next year.

A decisive factor in the syrup tax repeal was the realization by the state budget director that the syrup tax had not raised as much money as had been anticipated because soft drinks are not a popular menu item in the winter. Ohio had collected only $10 million instead of the expected $35 million.

The repeal comes six months earlier than the June, 1983 date OSRA had hoped for when it drafted its bill.

SHOWTIME

NRA Show update

A behind-the-scenes look at raffle winner

When Bob Kramer went to Chicago for the 1982 NRA Show this past May, he had no idea he'd soon be taking the restaurateur's dream trip! As the winner of the Taste the USA Raffle, Kramer will be visiting the restaurant capitals of the USA—New York, New Orleans, Boston, Chicago and San Francisco—with accommodations and airfare provided by Hyatt Hotels and TWA.

NRA News wanted to find out more about Kramer and learned that he has been working in the restaurant business since the eighth grade. Now, after those early years of "flour up the nose, dishpan hands, managing other people's operations and attending a million and one seminars," he and his brother are enjoying tremendous success with Two Nice Guys in Kirkwood, Missouri.

Two Nice Guys is a family-owned operation specializing in pizza—a natural choice for two brothers who made their start working in local pizza parlors. There are two levels. The level that caters to the younger crowd features video games, counter service and carryout. Upstairs, Norman Rockwell prints and lots of brass create a casual and relaxed dining atmosphere. For those pleasant spring and summer days, drinks are served in an outdoor canopy bar.

Bob Kramer

Kramer believes that the most important factor in the success of Two Nice Guys is the continuous commitment to the words etched on the front door, "home of old fashioned quality." No preservatives are ever used, pizza dough is made from scratch and about fifty to sixty gallons of fresh meat sauce is made each week.

When *NRA News* asked Kramer about his future plans, the answer was an obvious one for a restaurateur: He is planning to invest in another restaurant at the end of the year.

Chef steps in at last minute and gets medal

Douglas W. Oaks, executive chef of Litton Microwave Cooking Products, was at the right place at the right time during the NRA Show. He happened to walk by the "first ever" hot food competition on Wednesday after it had already begun and was asked to take the place of a missing chef. He agreed—with the stipulation that he could use his Litton Model 8042 microwave oven.

The microwave oven was the primary cooker for his entree of turban of salmon divan stuffed with broccoli and crabmeat and served with a Bearnaise sauce. It also was the backup oven for his other two dishes—veal sweetbreads Florentine with Madeira wine sauce and a frozen Grand Marnier souffle. The three entries were of high enough quality to earn him a silver medal—one of 11 presented at the Show. In addition, there were four gold medal winners in the hot food competition and six bronze medalists.

Race nets $12,000 for cancer society

THE MAIN COURSE

"The main course" 10K race, which kicked off the 63rd annual NRA Show, was a runaway success for the American Cancer Society. Larry Hilaire, chairman of NRA's pension committee, presents a $12,000 check to American Cancer Society Chairman Joe Hannon on behalf of the 2,000 runners who ran the main course race.

NRA SEMINAR SCHEDULE

Food and Beverage Operations Auditing

Sept. 22	Houston, TX
Sept. 23	Phoeniz, AZ

Bar Management

Aug. 23-25	Denver, CO

Computers

Sept. 13	Denver, CO
Sept. 14	Los Angeles, CA

Controlling Beverage Costs

Aug. 2	St. Louis, MO
Aug. 17	Portsmouth, NH
Aug. 23	Detroit, MI
Sept. 13	Omaha, NE
Sept. 21	San Antonio, TX
Sept. 23	Dallas, TX

Controlling Food Costs

Aug. 2	Pittsburgh, PA
Aug. 16	Oklahoma City, OK
Aug. 17	Dallas, TX

Controlling Labor Costs

Aug. 10	Atlanta, GA
Sept. 16	Montgomery, AL

Dining Room Management

Aug. 11	San Francisco, CA
Aug. 12	San Diego, CA
Aug. 24	Washington, DC
Sept. 7	Chicago, IL
Sept. 13	Atlanta, GA
Sept. 22	Philadelphia, PA
Sept. 28	New York, NY

Hiring Hourly Employees

Aug. 16	Rochester, NY
Sept. 7	Charlotte, NC
Sept. 10	Tampa, FL
Sept. 28	Cleveland, OH

Improving Food Production Methods

Aug. 10	Oakland, CA
Aug. 12	Seattle, WA
Aug. 17	Baltimore, MD
Aug. 19	Boston, MA
Sept. 16	New Orleans, LA

Kitchen Management

Aug. 9	Los Angeles, CA
Aug. 11	Sacramento, CA
Aug. 16	Honolulu, HI
Sept. 1	Milwaukee, WI
Sept. 7	Kansas City, MO
Sept. 20	Seattle, WA
Sept. 22	San Francisco, CA
Sept. 28	Sarasota, FL

Menu Development

Sept. 14	Atlanta, GA

Off–Premise Catering

Aug. 30-31	Baltimore, MD
Sept. 15-16	Detroit, MI

Operational Analysis

Aug. 9-10	Reno, NV

Performance Review

Aug. 17	Rochester, NY
Sept. 29	Cleveland, OH

Practical Meat Workshop

Aug. 26	Houston, TX
Aug. 30	Chicago, IL

National Conference on Promotion

Sept. 13-15	New York, NY

Restaurant Design and Facilities Planning

Aug. 18-19	Seattle, WA
Aug. 31-Sept. 1	West Palm Beach, FL

Practical Foodservice Sanitation

Sept. 30	Pensacola, FL

Simplified Baking Workshop

Aug. 25	Columbus, OH
Aug. 26	Pittsburgh, PA

Soups and Sauces

Sept. 8	Indianapolis, IN
Sept. 9	Detroit, MI
Sept. 15	Los Angeles, CA

Super Salads

Sept. 21	Washington, DC

California Wine Workshop

Sept. 25-29	Napa Valley, CA

For more information, contact NRA's seminar department, 311 First St., NW, Washington, DC 20001; call (202) 638-6100 or (800) 424-5156.

ANNOUNCING:

NRA's National Conference
on Promotion
A two and one-half day forum
for the foodservice industry

September 13-15 at
The Harley Hotel in
New York City

Build your business with

PROMOTIONS '82

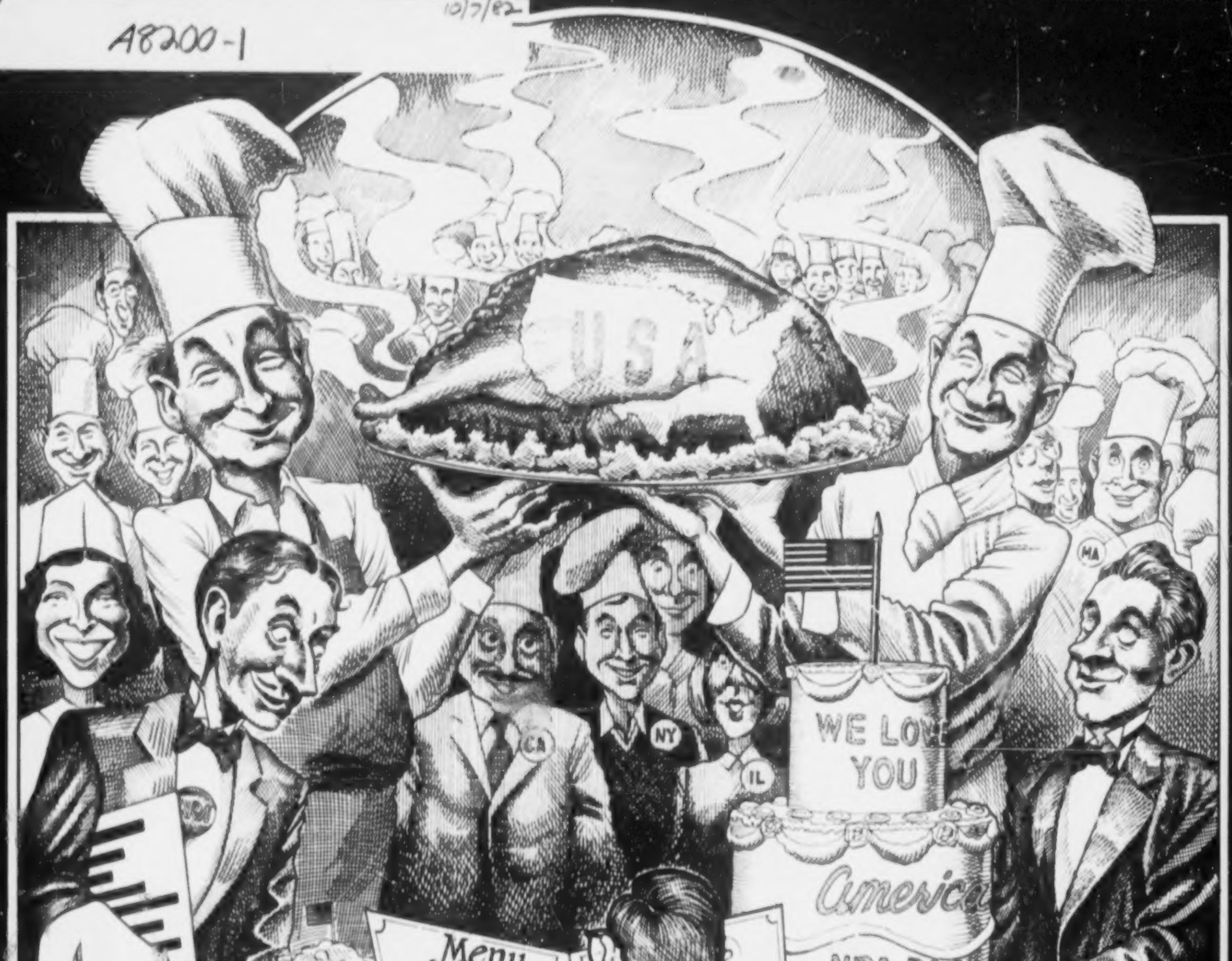
WN 08/06 MEMBER#81L004WF
STATISTICAL REFERENCE IND
CONGRESSIONAL INFO SERVICE
4520 EAST-WEST HWY #800
WASHINGTON DC 20014

BEST AVAILABLE COPY

National Restaurant Association Vol. 2 □ No. 8 □ September 1982

NRA NEWS

-1 A8200-1 10/7/82


USA
CA
NY
IL
MA
WE LOVE YOU
America
NRA PAC
Menu
3 COURSES
WASHINGTON REPRESENTATION
GRASSROOT EFFORTS
POLITICAL ACTION ACTIVITIES
Congressman Smith

Successful government relations menu: Serving Congress a three-course meal

NRA's government relations program is like a three-legged stool

It pays to help yourself. This year our industry was threatened with a curb on imported beef, reduction of business meal deductibility and higher price supports for agricultural commodities. And we escaped these threats because we made our voice heard in Washington.

That is, *you* made *your* voice heard in Washington through NRA.

NRA's government relations program is like a three-legged stool. Bob Neville and his Washington staff are one leg. Their direct contact with legislators and regulators is essential to the protection of our interests.

The second leg is NRA-PAC—our Political Action Committee. The PAC raises funds to contribute to the campaigns of candidates who are interested in the problems and priorities of our industry.

But the PAC and staff in Washington aren't enough. Your representatives listen first and foremost to you—their constituents. That is why it is so important that you tell your legislators when bills or regulations threaten to hurt your business. NRA's grassroots program is the most important aspect of our government relations program.

In the past, you have responded to NRA action calls. You have telephoned, telegraphed and written your congressmen when NRA warned you of dangerous legislation. At times your response has been phenomenal and has literally changed the shape of national legislation.

It is important that every NRA member actively protect his or her own interests. The association does not act for us. We must act for ourselves through the association.

John F Cauley Jr

John F. Cauley, Jr.
Chairman, Government Relations Committee

NRA NEWS

Officers
Chairman of the Board and President
John G. Dankos
Vice President
Joe R. Lee
Treasurer
Harris O. Machus
Executive Vice President
Robert Neville
Corporate Secretary
Ruth K. Tracy

Chairman
Communications Committee
Michael J. Grisanti
Executive Committee
Ted Balestreri
John F. Cauley
Robert T. Clift
James A. Collins
Walter Conti
Stanton D. Elliott
Thad A. Eure
Ralph B. Evans
G. "Jim" Hasslocher
Larry Hilaire
Michael E. Hurst
William Ray Lackey
Jack A. Laughery
Michael O'Neal
John L. Rian
Ernest H. Royal
Harris H. Rusitzky

Senior Director
Jeffrey R. Prince
Executive Editor
Steven J. Dahllof
Editor
Sylvia Rivchun
Communications Specialists
Carol A. Caprione
Elyse G. Cuttler
Government Relations Coordinator
Jay Morris
Research Analyst & Senior Writer, Foodservice Trends
Rachel A. Zachary
Staff Contributors
Walter Ashcraft
Joan E. Campbell
Tom C. Corcoran
Dorothy Dee
Clyde L. Griffith
Kathy Groiss
Elizabeth E. Hendrix
Bette B. Hoyt
David Joyner
Susan F. Mills
Robert A. Palmer
Andrew P. Poledor
James T. Rogers
Editorial Typist
Kerrie Gonnella

Editorial offices and NRA headquarters
311 First Street, N.W.
Washington, DC 20001
(202) 638-6100

Chicago offices
One IBM Plaza, Suite 2600
Chicago, IL 60611
(312) 787-2525

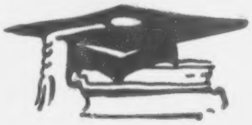
NRA News (ISSN 0465-7004) is published monthly by the National Restaurant Association, 311 First St., N.W., Washington, DC 20001. Membership dues include a one-year subscription to *NRA News*. The non-member subscription fee is $125 per year. Second-class postage paid at Chicago, IL 60607 and additional mailing offices. Copyright © NRA 1982. All rights reserved. Postmaster, send address change to NRA News, 311 First St., N.W., Washington, DC 20001.

CONTENTS

Cover Story

	9	There's no doubt about it. What government does affects the foodservice industry. The recent issues of beef grading and the business meal deduction are just two examples of why it is important that restaurateurs make themselves heard in the halls of government at the federal, state and local levels. To highlight the **importance of political involvement,** NRA NEWS this month takes a special look at NRA's government relations activities.
	5	Regulatory reform in review *(Washington Report)*.
	12	This fall all congressional representatives and 33 members of the Senate face elections, and there are additional races at the state and local level. Among the candidates are 12 restaurateurs who are profiled in the article, **"Restaurateurs running for public office."**

Specials



Education	18	September is traditionally back-to-school month. With this in mind, NRA NEWS talked with **graduates of foodservice training programs** to find out why they choose a career in foodservice and how their training relates to their work.
	26	This month NRA NEWS inaugurates a **human resources column** called "The Human Side," with stories on several educational ventures in which NRA participates.
	28	Not surprisingly, education is one of the most popular subjects for information requests to NRA's information services and library. For a sample of some of the questions, turn to "At Your Service."
Cafeterias	15	**Cafeterias** are **the sleeping giants** of the foodservice industry, but they needn't be. For reasons why, turn to page 15. The article includes a special look at the House of Representative's foodservice system.
Money Series	21	**Property insurance** is the topic of part 3 of NRA NEWS' special series on financial topics.

Departments

Short Orders	2	Child labor laws and benefit plans are topics of two new NRA publications
Washington Report	4	A look at the charge tip reporting measure
The Law	7	Labor Department proposes changes in teen work rules
The Board Room	8	NRA President Dankos forecasts continued industry growth
On the House	24	With this issue, NRA NEWS inaugurates a column that will focus on **member activities.** This month the topic is bread and how it is handled in various restaurants. Recipes are included.
Foodservice Trends	29	How consumers make the decision to eat out and how restaurant patrons rate food quality and service are two of the articles featured this month
Half Baked	40	Find out about the cookie caper and the "worst" food in Oregon

Next Month:

- A look at wine consumption trends
- Industry victory: USDA withdraws proposed beef grading changes

Standard for hot chocolate dispensers

The first standard for foodservice equipment—one for hot chocolate dispensers—is ready for publication. It has been approved by the prestigious standard setting group, the American Society for Testing and Materials.

When published, the document can be used by restaurateurs to order dispensers that meet the requirements set forth in the standard.

The ASTM standard is the result of the efforts of more than 100 representatives of NRA member companies, food equipment manufacturers and representatives of government agencies.

Roland Duning, director of equipment research and development for Wendy's International, Inc. and chairman of the committee on storage and dispensing equipment, led the effort to write the document. The document contains a variety of design and construction requirements—including materials, workmanship, finish, inspection, testing and performance requirements.

For further information, contact Andy Poledor, director of technical services, at NRA's Chicago office, (312) 787-2525.

SHORT ORDERS

Upcoming NRA technical meetings

- NRA's safety officers will meet in Chicago, IL, October 21, 1982. Scheduled during the week of the National Safety Congress, the day-long program is being developed as a working session without formal presentations. The primary objective of the meeting will be to examine the feasibility of a cooperative loss information system. Roxie Pickett, safety and health manager for Saga Corporation, is serving as chairperson.
- NRA's group of multi-unit architects, engineers and construction officers (MAECO) will meet in Knoxville, TN, on October 20, 21 and 22, 1982. Those attending will have an opportunity to visit the Knoxville World's Fair, whose theme is energy. Current co-chairmen of MAECO are Bryce Norwood, director of design & engineering for Friendly Ice Cream Corp. and Forest "Bing" Ewen, director of architecture for Jerrico, Inc.
- NRA's quality assurance officers will meet in New Orleans, LA, on October 27, 28 and 29, 1982. Current co-chairwomen are Maryknoll Benner, director of quality assurance for Taco Bell, and Cheryl Matthew, national director of food and beverage for General Foods Corp., Canada.

For more meeting and hotel information, contact Andy Poledor at NRA's Chicago office, (312) 787-2525.

NRA member wine lists honored

The Wine Spectator, a consumer newspaper devoted to wine, will hold its 1982 California Wine Experience in San Francisco, CA, on Oct. 9-11, 1982. This event will feature tastings of more than 100 of California's finest wineries, a roundtable that will focus on wine buying strategies and a Grand Award Banquet that will honor the top 12 restaurant wine lists in the country. Among the 1982 winners are six NRA members: Anthony's Pier 4 in Boston, MA; The Beverly Wilshire Hotel in Beverly Hills, CA; Lutece in New York, NY; Ritz Carlton Hotel in Chicago, IL; Rossellini's Other Place in Seattle, WA and The Sardine Factory in Monterey, CA.

For more information on the program, contact *The Wine Spectator*, Opera Plaza, 601 Van Ness Ave., San Francisco, CA 94102, (415) 673-2040. Also look for next month's issue of **NRA News** which will feature wine articles. Topics will range from merchandising tips to a discussion of regional grape production.

New NRA booklet compares child labor laws state by state

The intricacies of federal child labor laws become even more complicated when you consider variations in each of the 50 states. States can and do amend the federal provisions in everything from minimum age of employment to the maximum number of hours a child can work.

Foodservice operators can get an update on these state variations as well as a current review of federal laws in NRA's revised booklet *Federal and State Child Labor Laws*. NRA members will receive a copy of this booklet in the mail as soon as it is off the press this fall. For information on current child labor law legislation turn to "The Law" in this issue.

New survey of benefit plans

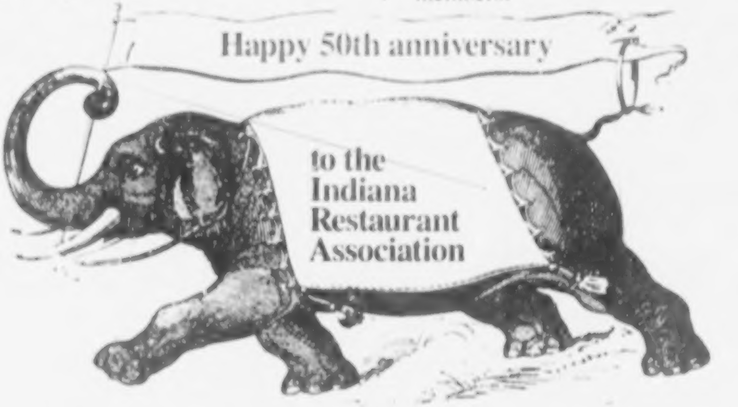
Restaurateurs agree that personnel and human resource problems are among the most difficult problems they face. A competitive, well thought out benefits package can be an important selling point when you seek new employees. It can also help you retain valued workers.

Recognizing the part that benefits play in personnel management, NRA conducted a survey among restaurant chains earlier this year to examine benefits for hourly employees. The survey covered 16 different benefits from meals and uniforms to health plans, life insurance, educational assistance and pensions.

Survey results reveal

- meals, uniforms and paid vacations are the most frequently provided benefits.
- the majority of respondents provide a basic, surgical and major medical plan.
- four out of 10 companies provide a dental plan.
- eight out of 10 companies provide group life insurance, which varies in coverage from $2,000 to more than $6,000.

For further details about benefit plans, consult *A Foodservice Operator's Guide to Benefit Plans for Hourly Wage Employees* (CS 205). It is available from NRA's Education Materials Center. The cost is $12.50 for members and $25.00 for non-members.



WORLD FOOD DAY
October 16, 1982

A way to add *your* caring and *your* action to ending hunger:

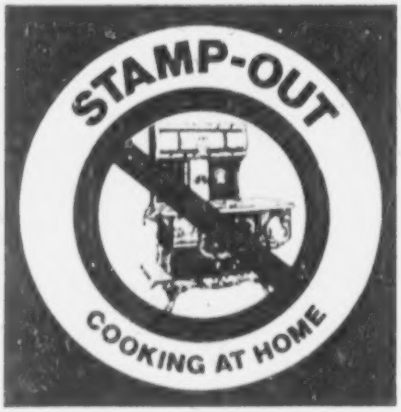
Join with others in your community to identify and act on local food and hunger problems.

Join with 260 private voluntary organizations in mobilizing a national and world campaign to fight hunger.

Join with people in 150 countries in showing your commitment to a more humane and just world.

For more information contact:

National Committee for World Food Day
1776 F Street, N.W., Washington, DC 20437
202-376-2306



Stamp-Out-Cooking-at-Home buttons sell like hotcakes—more ordered

What started out as a thank you has been a runaway promotional success. NRA has sold 5,000 Stamp-Out-Cooking-at-Home buttons. Their unexpected popularity has sent NRA back to production and there are now more buttons available.

Each NRA member was originally given a button as an incentive to complete the recent NRA membership survey. "Members started calling to buy the buttons," explained NRA Research Director Susan Mills. "We were surprised, but pleased with the response," she added.

Walter Conti, immediate past NRA president and owner of Conti Cross Keys Inn, ordered 1,500 and gave them to his customers. "They are a fun way of telling our customers that we appreciate their business," Conti stated. Conti's staff also wear the buttons.

Other restaurants give them to women only and some sell them at the registers.

To order, contact NRA's Research Department. Order in sets of 50 for $25; 100 to 1,000 for $40 per 100 and for 1,000 or more they are $36 per 100. There is a $2.00 handling fee and postage will be added. Please allow three weeks for delivery. Order now, the supply is limited: NRA Research Department, 311 First St., N.W., Washington, DC 20001, (202) 638-6100 or (800) 424-5156.

WASHINGTON REPORT

Business meal deduction saved

After weeks of negotiating, NRA prevailed upon a House-Senate conference committee to eliminate a provision to halve the business meal deduction from the $98.3 billion tax bill passed by Congress on Aug. 19. In its place, a far less damaging tip reporting measure has been substituted.

"Reduction of business meal deductibility would have caused countless bankruptcies and put thousands of employees out of work," said NRA President John G. Dankos.

The provision would have reduced the deductibility of local business meals by 50 percent. This change would have cost the restaurant industry $1.7 to 2.9 billion in sales and resulted in a loss of about 100,000 jobs.

"The business meal provision would have had disastrous results for the industry. Although tip reporting is burdensome, it is the far less harmful of the two proposals," said Dankos.

"Congress was concerned only with raising a specific amount of revenue from the foodservice industry. We had to accept one of the provisions and settled for the least onerous," he added.

The elimination of the business meal provision was accomplished at an all-night session of the House and Senate Conference Committee. During the session, NRA Executive Vice President Robert Neville negotiated with members and staff of the conference committee on Capitol Hill along with representatives from the American Hotel and Motel Association and Hotel Employees and Restaurant Employees International Union (AFL-CIO). Agreement was reached at 3 a.m. on Aug. 14.

"After the conferees agreed to substitute a tip reporting provision, the problem was to come up with the least burdensome law," said Dankos. "We won a three-month deferment before allocation begins and annual reporting instead of reporting by pay period. We also convinced the committee, if we must allocate tips, the government must design the procedure and not leave the total burden on the employer," Dankos said.

If the tax bill becomes law, the tip reporting provision would require:

1) All foodservice and beverage establishments with more than 10 employees, where tipping is customary, to file a report with the IRS for the first quarter of 1983, showing:

a. gross food and beverage sales (excluding carryout and sales with mandatory service charge of 10 percent or more)
b. aggregate tip income reported by employees
c. aggregate food and beverage sales on major credit cards and
d. aggregate tips shown on credit card receipts.

2) Where aggregate tip income is less than eight percent of food and beverage sales, the employer's report will include a list of all tipped employees, their wages and the tip income they reported. Employees would be told that their returns would be subject to audit if the eight percent safe harbor is not satisfied.

3) If the eight percent safe harbor for tip reporting is not met after April 1, 1983, employers will be required to report each employee's allocable share of tip income of an amount equal to eight percent of gross sales. This report will be required for each calendar year. The first report, to include the last three quarters of 1983, will be due in January of 1984. The allocation of tips will be based upon:

a. either a method agreed upon between the employer and the employees or, in the absence of such an agreement, in accordance with a mandatory allocation formula prescribed by Treasury regulation
b. tip income so allocated will be reported by the employers to the employee and the IRS either on an information statement or on the Form W-2 as the employer chooses
c. the allocation will have no effect on FICA or income tax withholding responsibilities of the employer or his FUTA obligations. It is purely an information report to the IRS. The employer is held harmless reporting any dispute with any employee over allocation of tip income

4) Where average tipping practice produces less than eight percent of gross sales in tip income, the secretary is directed to establish an appeal procedure and is authorized to reduce the safe harbor percentage down to five percent.

"The proposal is complex," Dankos said. "We fought for a three-month grace period so that we will have time to educate employees about tip reporting. NRA will prepare materials for members to use in explaining the situation to their people."

Targeted Jobs Tax Credit extended

Tucked into the $98.3 billion tax package approved by Congress on Aug. 19 is a provision to extend the Targeted Jobs Tax Credit (TJTC) for two years. The TJTC, used extensively by foodservice operators, would have expired at the end of this year if Congress hadn't acted to extend it through Dec. 31, 1984.

One of the biggest changes made to TJTC in the tax bill is the creation of a new targeted group: economically disadvantaged youth seeking summer jobs. Employers who hire economically disadvantaged youth between the ages of 16 and 18 could take a tax credit for a 90-day period between May 1 and Sept. 15. The credit would be 85 percent of the employee's first

$3,000 paid during the 90-day period. Such youth hired for the summer could not have worked for the employer previously. Employers could take the credit on summer hires beginning May 1, 1983.

Congress also approved a change that would allow same-day certification of employees for the credit. Currently, employers cannot take a credit for an employee unless he has been certified by a designated local agency *before* he begins work.

Involuntarily terminated CETA employees, one of nine targeted groups in the current law, would no longer be eligible for the credit, effective Jan. 1, 1983. Another targeted group, cooperative education students that are economically disadvantaged, remains unchanged. Original Senate language would have dropped the economically disadvantaged requirement, but it was retained by the House-Senate conference committee.

Changes in the TJTC are effective Jan. 1, 1983.

Immigration bill passes Senate

A comprehensive bill that would make sweeping changes in the nation's immigration laws, including stiff penalties for employers who hire illegal aliens, was approved by the Senate last month.

Under the Immigration Reform and Control Act of 1982 (S. 2222), an employer who knowingly hires an illegal alien would be faced with an escalating set of penalties, phased in over a three-year period. Employers would also be required

- to demand identification from every job applicant
- to determine whether the identification presented appears to be valid
- to sign a form stating they have verified the applicant's eligibility to be employed with a counter-signature from the applicant, attesting that he is legally employable
- to keep these records for at least five years. Failure to follow this procedure and maintain proper records would result in a $500 civil penalty for each individual hired.

The bill still must be considered by the House of Representatives, where a similar version now faces markup in the Judiciary Committee. NRA is working with other business groups in an effort to have the identification requirements and employer sanctions deleted from the bill.

Regulatory reform in review

No longer a casual buzzword, regulatory reform has become an established fact in Washington, thanks to legislative and presidential initiatives that have laid the groundwork for orderly reevaluation of the federal regulatory machinery.

Already, restaurateurs have seen some major changes in areas that affect the foodservice industry. These accomplishments include elimination of the emergency building temperature restrictions, postponement of a rule that would have raised the Department of Labor's (DOL's) salary test for managerial personnel and exemption from "wash 'n' wear" uniform maintenance requirements.

Roots in the 1970s. . .

Regulatory reform received serious attention on Capitol Hill in the late 1970s due to the growing awareness that American businesses were being regulated into the ground. The often-quoted 1979 Arthur Anderson study for the Business Roundtable, for example, concluded that federal agencies send out more than 10,000 different forms every year, that business spends an estimated $20 billion completing them and that the annual cost of all regulatory activities to consumers tops $100 billion. Businessmen also noted with chagrin that expenditures for the major federal regulatory agencies quadrupled in the 1970s and that the number of pages in the *Code of Federal Regulations* increased by nearly two-thirds.

The 96th Congress took some important steps in 1980 to cut back federal bureaucracy. Three major pieces of regulatory reform legislation were enacted by Congress that year.

Regulatory Flexibility Act: Enacted on Sept. 19, 1980, the act requires federal rulemakers to consider the impact of proposed regulations on individuals, small businesses, organizations and towns. The act encompasses the principle that regulations should accommodate the size and resources of the institutions they regulate.

The act requires regulatory agencies to prepare an assessment of a proposed rule's economic and paperwork impact, including a description of alternatives that would minimize any adverse economic effects. The act also establishes a procedure for reviewing all major regulations at least once every 10 years.

While many viewed passage of the Regulatory Flexibility Act as a band-aid on an economic cancer, it has proven to be a stable foundation for subsequent efforts to reform the regulatory process. President Reagan's executive order for streamlining the bureaucracy borrows heavily from its provisions.

Paperwork Reduction Act: One of the most significant pieces of regulatory legislation passed by Congress to date, the act was signed into law on Dec. 11, 1980. The new law requires that federal agencies reduce lengthy and redundant federal reporting requirements, which, according to the Federal Paperwork Commission, were believed to impose a hidden tax averaging $500 for every American.

The bill attacked the burgeoning paperwork problem by creating a central office of information and regulatory affairs within the Office of Management and Budget (OMB) with the authority to review all requests for information from the public made by government agencies. The director of OMB now has the responsibility to make sure that any requested information is needed, that it is not available elsewhere and that it is collected in an efficient manner. The goal of the legislation is to reduce the public paperwork burden by 25 percent over a three-year period—by Oct. 1, 1983.

Equal Access to Justice Act. Enacted on Oct. 21, 1980, the act allows small businesses to recover attorney fees in cases where they prevail against a federal agency, provided the government cannot prove it was "substantially justified" in bringing or defending the particular action. Prior to the law's passage, parties to any legal action were responsible for their own attorney fees. This had the unfortunate effect of precluding small businessmen from fighting unfair agency rulings because of prohibitive legal costs.

A conservative in the White House. . .

Declaring regulatory reform to be one of the cornerstones of his policy for economic reform, President Reagan moved quickly in the first weeks of his new administration to abolish the Council on Wage and Price Stability (COWPS); deregulate the price of oil; and, of particular concern to restaurateurs, eliminate the unpopular emergency building temperature restrictions.

In one of his first executive actions, Reagan put a stop to the more than 100 "midnight" regulations promulgated during the last days of the Carter Administration. Sixty-three of these regulations were found to need modification or elimination. Among the frozen regulations was a Department of Labor (DOL) salary test change, calling for a 45 percent increase in minimum salary for executive and administrative employees exempt from federal overtime requirements. This ruling would have affected many restaurant employers. Efforts by NRA and the state restaurant associations were influential in persuading the new administration to stay the costly salary-test increase.

Later, the President signed a new executive order to streamline the regulatory process and established his Task Force on Regulatory Relief, chaired by Vice President Bush. The administration was also quick to make use of the Paperwork Reduction Act, which requires OMB to reduce the federal government's paperwork burden by 25 percent by Oct. 1, 1983.

Executive Order 12291: In February of last year, President Reagan signed Executive Order 12291, designed to produce better regulations. The order directs agencies to determine the most cost-effective approach for meeting any regulatory objective, requires that agencies prepare regulatory impact analyses (RIAs) to evaluate the potential benefits and costs of their major regulatory proposals and establishes the pre-eminence of the President's Task Force on Regulatory Relief in spearheading the administration's regulatory relief efforts.

Although many of the order's directives simply reiterate current law or executive procedures, one major aspect of the order—the requirement that RIAs and rules be cleared with OMB—covers new ground. The coordination and review of all regulatory activities by a strong, centralized clearinghouse represent a basic change in regulatory decision-making. OMB oversight of agency rulemaking has the potential—for the first time—of providing the government an overall view of the federal rulemaking process.

On Jan. 29, 1981, the President created the cabinet-level Task Force on Regulatory Relief, chaired by Vice President Bush. The task force reviews proposed regulations, assesses existing regulations and coordinates proposals for legislative change. Actions taken by this task force have been projected to yield estimated savings of $2.8 to $4.8 billion in capital investment costs and $1.9 billion in annually recurring costs. In addition, expected savings from regulatory reviews currently underway total $12.6 billion in annually recurring costs.

Last year, more than 180 regulations were withdrawn, modified or reviewed. Also, the number of rules published daily in the *Federal Register* was cut in half, with the number of pages down one-third.

Exempt manager issue targeted by task force. The task force announced in February that it would review the Department of Labor's (DOL) controversial rules for paying exempt restaurant managers. The DOL rules were one of 11 regulatory issues the task force said it would study this year. NRA raised the exempt manager issue with Vice President Bush last year because it had become a significant problem in the industry.

The Task Force also announced in February that it would review DOL's teenage employment rules. DOL regulates the work that can be done after school and on weekends by teenagers, as well as the types of businesses in which youths can be employed. In addition, it imposes cumbersome annual certification requirements on those who employ teens.

"These regulations contain many illogical and unnecessary restrictions on youth employment," the task force said. "For instance, the regulations prohibit teenagers from cooking hamburgers behind partitions but permit them to cook hamburgers behind lunch counters."

NRA has asked DOL to review a number of rules regarding teenage employment in restaurants, specifically Hazardous Occupation Orders Nos. 10 and 11, which pertain to baking and cutting machines used in restaurants.

Regulatory activity in Congress. . .

Congress has continued to work this year on an omnibus regulatory reform bill (S. 1080). Passed by the Senate in March, the legislation would require agencies to publish cost-benefit analyses of major rules, authorize the President to establish procedures for regulatory analysis, require agencies to review existing major rules periodically and permit the President and both houses of Congress to veto a rule.

Cognizant of the plight of small business in the regulatory sphere, Congress also has continued to focus attention on legislation that improves the ability of smaller firms to compete effectively in the marketplace. The enactment of the Prompt Payment Act on May 21 is a good example. Approval of the act was considered a major victory for small business, many of which have suffered from the federal government's delinquent habits of payment for supply and service purchases. Under the act, penalties would be imposed on agencies that failed to make prompt payments.

With increased emphasis on small business problems in Congress and the White House, restaurateurs should expect to see positive changes in the future. But restaurateurs must also work hard to sustain the mood for reform and prevent recent victories from being undone by subsequent and administrations.

THE LAW

Labor Department proposes changes in child labor rules

Some restrictions on teens who work in foodservice kitchens may soon lift—if proposed revisions to child labor rules for 14 and 15-year-olds (Regulation #3) become law. The changes proposed by the Wage and Hour Division of the Department of Labor (DOL) would be the first major rewrite of the rules since 1938. NRA has pursued changes in the rules since 1977 through letters and meetings with DOL officials. The proposed revisions reflect many of the changes the association has advocated.

As published in the July 16 *Federal Register*, the proposed revisions would allow 14 and 15-year-olds to work four hours during a school day up to a maximum of 24 hours during a school week. (The current law allows teens to work only three hours a day up to a maximum of 18 hours a week.) When school is in session only a portion of a week, a sliding scale would permit teens to work up to 36 hours a week.

Of particular interest to foodservice operators are changes that would allow teens to work until 9 p.m. on school nights instead of the current 7 p.m. cutoff. On days preceding a non-school day and during summer months, work would be permitted until 10 p.m. However, teens still could not work more than 40 hours a week or eight hours a day when school is not in session, as is the case in the current rules.

Change in occupational restrictions. . .

The proposal also revises a number of occupational restrictions placed on teens. For example, current rules prohibit 14 and 15-year-olds from cooking in a foodservice establishment except at soda fountains, lunch counters, snack bars and cafeteria serving counters. The proposal would permit cooking *everywhere*, except cooking over open flames or in situations that involve the handling of hot grease (140 F.) or containers under pressure without a safety valve.

The revisions apply only to Regulation #3 of the government's basic child labor rules, not to the Hazardous Occupational Orders that apply to all employees under 18 years of age. Hazardous Occupational Orders 10 and 11, for example, apply to the restaurant industry and prohibit teens from operating power-driven baking and meat slicing equipment. NRA has sought an exemption in these DOL orders for certain restaurant machinery, such as egg beaters or meat slicers with safety features. The proposed changes do not address these particular orders, but NRA has learned that Orders 10 and 11 are now being reviewed by DOL.

In a statement submitted to the House Labor Subcommittee on Labor Standards, NRA said proposed Department of Labor revisions to child labor rules for 14 and 15-year-olds "would be beneficial to both employees and employers in the foodservice and other industries." NRA also said the magnitude of the proposed changes has been grossly exaggerated by opponents. Some labor groups have complained that the changes are too far-reaching and would cause displacement of adult jobs. But as NRA said in its statement, "The proposal would add only one hour to a 14 or 15-year-old's permissible workday during the school term. It would add only six hours to the total workweek. . . . It should be obvious to any sensible person that this minimal expansion of hours is hardly a return to 19th-century working conditions. It is merely an adjustment that provides younger teenagers an opportunity to work in many types of service establishments that are now commonly open during the early evening hours."

The Labor Department will be receiving public comment on the proposed changes until Jan. 13, 1983.

BUZZING!
BUZZING!!

Dankos forecasts continuing industry growth

National figures show foodservice industry growth continues despite the difficult economic climate, NRA President John Dankos told the Southeastern Hospitality Foodservice Show last month.

"The times have been bad, and some industries are in trouble. But NRA's forecast shows that our industry is holding its own and even making strides. NRA projects that sales will reach about $137 billion in 1982," Dankos told restaurant operators gathered in Atlanta.

Dankos said that NRA is predicting a real sales growth of one percent for the foodservice industry in 1982.

NRA President John Dankos predicts continued industry growth.

He ascribed the gain to several causes. Menu price inflation has slowed down with a projected rise of six percent in 1982. This represents the lowest percent price increase since 1978.

Slower price increases for many commodities, especially beef, pork, chicken and dairy products, have helped keep foodservice costs down. A slowdown in labor and energy cost jumps has also helped.

The recent tax reductions have left consumers with more money to spend, Dankos said. Disposable income in 1982 is expected to increase 8 percent, and some of that money will be spent on meals away from home.

Dankos reported that limited menu restaurants are predicted to register the largest advance within the commercial segment of the industry. Their sales will increase nine percent over 1981.

"In general all eating places are profiting from the improvement in the economy and modest reversal in trading down. The outlook is bright for our industry. It is a lot better than we have seen in several years," Dankos concluded.

THE BOARD ROOM

Project: Hospitality features train-the-trainer seminars

A special Board Advisory Committee chaired by NRA Director Michael Grisanti met in Chicago last month to review progress on the new Project: Hospitality educational program.

The program, being developed by the Sandy Corporation for NRA, will feature train-the-trainer seminars designed to increase a sense of hospitality in the individual outlet. Film strips, handbooks, manuals and other backup materials are also being produced.

"NRA surveys show that our customers are looking first and foremost for quality food and friendly service. This program is designed to teach employees how to provide warm, courteous attention to diners," said Grisanti.

The committee reviewed research conducted by the Sandy Corporation and then acted as a focus group to explore what kind of service guests expect to receive in a contemporary eating place.

Michael Grisanti (center) discusses Project Hospitality with NRA staff members Jeff Prince and Susan Mills.

"Although there are many common denominators, guests expect different treatment in different types of restaurants. We are developing a program suited to the needs of institutional feeders, white table cloth and fast food restaurants," Grisanti commented.

"By the time we start putting the course together, we intend to know just what hospitality means in each type of foodservice outlet," Grisanti said.

The Advisory Committee consists of:

1. **Michael Grisanti** (Casa Grisanti, Inc., Louisville, KY)
2. **John G. Dankos** (Dankos Enterprises, Inc., Richmond, VA)
3. **John R. Lee** (General Mills Inc., Orlando, FL)
4. **Harris O. Machus** (Harris O. Machus Enterprises, Birmingham, MI)
5. **Ernest Henry Royal** (Royals Hearthside, Rutland, VT)
6. **Thad A. Eure** (Creative Dining Food Systems, Inc., Raleigh, NC)
7. **Joan Bakos** (*Restaurant Business Magazine*, New York, NY)
8. **Ernest E. Renaud** (Jerrico's Inc., Lexington, KY)
9. **Dr. Don Smith** (School of Hotel & Restaurant Administration, Michigan State University, East Lansing, MI)

The hospitality seminars will be launched at the NRA Show in May 1983.

Successful government relations menu:

Serving Congress a three-course meal

The American political process depends on the involvement of individuals—separately and in groups. Associations, such as the National Restaurant Association, in particular, share valuable information with legislators at the state and national levels through their government relations activities. Contrary to public myths, these activities have nothing to do with the dark and seamy side of politics. As the following story makes clear, the success of NRA's government relations activities depends on integrity and credibility and the active role of NRA members in shaping the future of America and especially the future of the foodservice industry.

Uniform maintenance rules, beef grading standards and business meal deductions—these are three of the biggest issues the foodservice industry has ever faced. The business meal deduction alone would have cost the industry $2 to $3 billion in sales and the loss of more than 100,000 jobs. Thanks to the National Restaurant Association's government relations program, however, the industry was able to tackle these issues.

NRA makes its voice heard in the halls of government not through a single activity but rather through three separate, vital programs: lobbying, political action activities and, perhaps most important of all, grassroots in-

BEST AVAILABLE COPY

volvement of NRA members. This article looks at each of these three activities in turn.

* * *

I. Grassroots activities: 'Eyes and Ears' of NRA at local level

Although the National Restaurant Association is headquartered in Washington, DC, within walking distance of the U.S. Capitol, this proximity does not guarantee access to members of Congress. In order to develop and maintain access on the Hill, one must have credibility, and the credibility of the NRA comes primarily from its 10,000 members and the 100,000 foodservice units they represent.

"Simply setting up shop in Washington and hiring a good staff doesn't guarantee results," explains NRA Government Relations Committee Chairman John Cauley, Jr. (Friendly Ice Cream Corp., Wilbraham, MA). "Of course, NRA's location is great. If something comes up on the House or Senate floor on short notice, NRA lobbyists can be there in a matter of minutes. But what really is important, what can make or break us on an issue, is the involvement of our members: Getting them behind an issue, getting them to contact their congressmen and senators, write letters and make phone calls—that's what makes the difference on Capitol Hill. Legislators are just more receptive to an idea or argument when it comes from one of their constituents."

Cauley's impressions are substantiated by a recent American University study. The university's Institute for Government Public Information Research surveyed 123 congressional offices and asked aides to rank different types of communications according to how effective they are in developing positions on issues. Constituent mail and telephone calls were by far the most often cited responses.

Political education to increase member involvement. . .

Last year NRA's Board of Directors endorsed the political education committee's plan (PEC) to develop the tremendous political potential of NRA's 10,000 members. "PEC is a means of educating members to the importance of personal involvement in the political process," says NRA-PEC Chairman Jim Collins (Collins Food International, Inc., Los Angeles, CA). Collins believes that through the efforts of PEC, foodservice operators can become an even more cohesive force in American politics.

The PEC plan embarked on a new program for industry involvement in the legislative process, one which hopes to build on strong relationships between NRA members and congressional representatives and senators.

To get the program started, NRA will draw up a list of congressmen and senators who are directly involved with issues of major concern to the foodservice industry, as reflected in their committee assignments. A network of NRA members who are constituents of these key federal legislators will be organized and invited to assume responsibility for building a strong relationship with these decisionmakers in their states and districts.

These NRA members will be known as "key contacts" and will discuss industry issues informally with legislators in their restaurants. They also will schedule meetings in the lawmaker's local office to establish a rapport with their aides.

"NRA key contacts will become the 'eyes and ears' of NRA on the local level," Collins explained. "They also will be used to contact a legislator between normally scheduled meetings if a legislative crisis develops in Washington which may require the key contact to coordinate a grassroots campaign of phone calls and letters from constituent restaurateurs.

"Our long-term goals are to strive for a continually active grassroots system, an increased understanding for our members of the legislative process, increased awareness of the issues and a coordinated communication system between the NRA staff in Washington, the local restaurateur and the targeted members of Congress," Collins continued. "Most important, we have to convince our members of the value of participating in the political process. We have to show them that their involvement, or lack of it, affects their business directly."

* * *

II. NRA-PAC: Pooling individual contributions for one, effective voice

Political action committees (PACs) are sometimes misunderstood. "The myth that PACs buy influence on Capitol Hill is an unfounded but—unfortunately—prevalent view of many Americans," says Chairman of the National Restaurant Association's Political Action Committee (NRA-PAC) Ralph Evans (Evans Farm Inn, McLean, VA). "The fact is PAC contributions help make it possible for well-qualified people to run for office and to stay in office—people that might not otherwise be able to afford to run. I've never known of a candidate changing a vote on a piece of legislation because of money a PAC gave him. *Money does not buy votes; it supports a certain point of view, a philosophy of government.* Contributions aren't given to candidates in hopes of changing their minds; they are given to candidates whose minds have already been made up."

Senator Wendell Ford (D-KY) seconds Evan's impression. "There is concern by some," he says, "that PACs may gain inordinate influence over legislators. I think this attitude exaggerates the role of PACs—and does a disservice to the integrity of those who seek and hold public office."

Like the hundreds of other PACs that emerged during the 1970s, NRA-PAC was created to pool member contributions into one fund for stronger and more effective participation in the election process.

"The NRA-PAC is a legal, authorized vehicle that enables us, under strict requirements and regulations, to support candidates who recognize our interests," explains Evans. "It is an effective means for individuals to make contributions to candidates who share their views on business issues."

PAC activities are well-documented as complete records of member contributions and disbursements to candidates must be kept and submitted to the Federal Election Commission (FEC), which makes these records available to the public.

How PAC funds are disbursed. . .

NRA-PAC awards campaign contributions to candidates running for seats in the U.S. Senate and House of Representatives. The PAC selects candidates and disburses money to their campaign committees, based on their position on key restaurant issues, their voting record (if they have held prior office), their financial need and the closeness of the race. Recommendations for campaign contributions are received from NRA-PAC members from all over the country. A seven-member committee, composed of NRA directors, reviews the recommendations and decides who will receive PAC contributions.

"Often a contribution to a PAC is a wiser investment than just giving money to a candidate you've read about in the newspaper or seen on television," says Evans. "Our staff in Washington studies all the races in the country. They know where candidates stand on the issues. They know their voting record, whether their race is a close one and whether they really need the money. One individual restaurateur simply doesn't have the time or resources to analyze the races like that."

Member contributions to the PAC cannot exceed $5,000, but average contributions are less than $100. Likewise, disbursements to any candidate by the PAC cannot exceed $5,000 per election.

During the 1979-80 election cycle, NRA's political action committee contributed about $65,000 to 138 candidates running for Congress. Although this was the highest amount raised since the inception of NRA-PAC, it was still small in comparison to the efforts of other groups. The Hotel and Restaurant Employees International Union, for example, raised more than $200,000 during the same period.

"PAC contributions have become an essential ingredient in American politics," adds NRA-PAC Chairman Ralph Evans. "Our staff in Washington receives calls daily from congressional campaign committees seeking our support. It's very important that we have the resources to help support those candidates who believe in the free-enterprise system."

In addition, "One of the valuable byproducts of PACs is the personal involvement of the contributor in our political system," adds U.S. Rep. Guy Vander Jagt (R-MI). "The PAC movement has perhaps done more to increase citizen activity in politics than any other recent development."

Although PAC growth is relatively new, PACs have been in existence for 25 years or more. The AFL-CIO's Committee on Political Education (COPE), for example, was started in 1955 and has been active in every election since. The big change in PAC growth in associations came about after federal election laws were enacted in 1971 and 1974. These changes made it possible for incorporated associations like NRA to use their own funds to establish and maintain political action committees.

Association PAC contributions are small part of total costs

Nonetheless, association PAC contributions are merely a drop in the bucket when one considers the cost of running for office. During the 1980 elections, congressional and senatorial candidates spent $239 million during their campaigns. Winning candidates in the House spent an average of $300,000 and would-be senators spent nearly double that amount. Of the $239 million total, only about 23 percent came from PAC's; associations and health groups gave 6.7 percent.

"Yes, campaigns are expensive," adds Evans, "but it's really not a large amount of money when you compare it to some other items. For example, during the 1979-80 election cycle, Americans spent more than $380 million for ball-point pens and more than $1 billion for Wrigley gum."

III. Association staff coordinates NRA efforts on the Hill

To spearhead member efforts in Washington is NRA's government relations staff. As Alexis de Tocqueville pointed out nearly 150 years ago in his classic work, *Democracy in America*: "An association unites into one channel the efforts of divergent minds." In other words, it is the function of the association staff to coordinate NRA member efforts and points of view and to represent the industry's position before congressional committees and agency rulemaking panels. Often the government relations staff is asked to present industry data to these deliberative bodies.

The NRA staff also monitors the progress of legislation and regulatory rulemaking that may affect the industry, carefully following it from introduction to final passage. In addition, NRA's legal counsel monitors and responds to complex issues that involve highly technical issues of law.

But perhaps the most important function of the government relations staff is to distribute information about legislation and regulations to the membership. The *NRA Washington Weekly*, Action Call mailings, mailgrams and telephone calls are all used to "get out the word" when important issues arise in Washington.

The staff is also available to answer queries from members on legislation, regulations and legal decisions that affect the restaurant industry. David Joyner, manager of NRA's action programs, is available to answer questions about NRA's PEC and PAC programs. NRA's government relations department is up-to-date on legislative and regulatory issues, and NRA's legal department can respond to legal questions. NRA's toll-free number is (800) 424-5156.

From meal service to community service

RESTAURATEURS RUNNING FOR PUBLIC OFFICE

To get a clearer idea of what restaurateurs with political ambitions want to accomplish for themselves, their communities and the country, NRA NEWS talked with 12 restaurateurs who are running for political office in different parts of the country. Their backgrounds, ambitions and platforms are different yet they all share a strong sense of civic responsibility.

Restaurateurs understand that their livelihood depends on how much they give to the community. If they give good food and service, then the community gives them their patronage. Some restaurateurs have taken this concept one step further—into the political arena. They have decided to run for political office because they want to give something back to the community that has been good to them.

Most of the 12 restaurateurs running for public office this fall who spoke with *NRA News* are concerned with economic issues—such as jobs, balanced budgets, tourism and taxes. Others are concerned with social issues. Still others are committed to cutting back the bureaucracy and making sure that constituents get their money's worth.

Several of the candidates believe that running a restaurant relates to running the government because restaurateurs must be organized and must deal with people. They also believe that they are in a special position, as one candidate said, to have "their finger on the pulse on what's happening in the community." This insight, the restaurateurs claim, will help in being responsive to their constituents.

For some of the restaurateurs, politics has always been a second love. For others, it was a more sudden decision, often in response to the inadequate performance of an incumbent. Usually, though, government service was seen as an opportunity to serve. "I feel an obligation," said one candidate. "I was raised with a responsibility not only to myself and my family but also to my fellow man."

Although the incumbents in the group say that the demands of political office are great and often take them away from their restaurants for months at a time, many recommend public office to other restaurateurs. "There's a big reward in being able to get things done for the district," says one candidate. "Even if you don't run for public office," says another candidate, "run for precinct committee positions, get involved on the grassroots level, work on campaigns, support PACs."

A look at the candidates. . .

Fred Aiken's first attempt to get elected to public office was in 1978 when he ran for the state house of representatives. Aiken of Alfredo's Restaurant in Dallas, GA, lost by one of the closest elections in the country—eight votes. In 1980, he ran again and won by 10,000 votes. Aiken has qualified for reelection in 1982. Law and order, especially stronger laws to discourage driving under the influence of alcohol, are issues of primary concern to him. Aiken is also committed to free enterprise. "I want to keep the government out of all businesses," he says, "because every time the government starts interfering, our country has problems."

Douglas J. Baker, co-owner of the Sugar House Restaurant and Motor Inn in Middlebury, VT, and the New Ha-

Aiken

Baker

Curtola

Felton

Maestri

Mason

Plyler

Powers

ven Motor Inn near Vergennes, VT, is no newcomer to the political scene. He has served in the Vermont House of Representatives as well as on various state and local committees. He is a member of the board of directors of the Vermont Chamber of Commerce, past president of the Vermont Hospitality and Travel Association, member of the state Republican Party and member of the Addison County Farm Bureau. Baker is now running for the Vermont Senate. "I want to upgrade the quality of life by creating new jobs and new industries, enlarging the service industry, increasing manufacturing jobs and protecting our agriculture," says Baker. "I feel an obligation. I was raised with a responsibility not only to myself and my family but also to my fellow man."

Terry Curtola of Terry's Restaurant in Vallejo, CA, became mayor in 1979 after defeating the incumbent of 16 years. His goal in office is to revitalize Vallejo's downtown central core. "I support planned growth as opposed to building to build," Curtola says. "If the city prospers, the restaurants will also."

James E. "Ed" Felton, president of the A & B Lobster House and A & B Fish Company, Key West, FL, is a first-time candidate for the state senate, running on a Democratic ticket. Felton, who has been an active participant in a number of fish-related panels and associations, is committed to reducing bureaucracy. "I want the people in office to produce instead of just protecting their jobs," Felton explains. "We've got too much government and we've got to cut down on it on the state and federal levels."

Danny Maestri, 27-year-old owner and manager of Mary Maestri's in Tontitown, AR, filed last March as a Republican for the state senate in Arkansas. Maestri, who is active in the Rotary Club and Chamber of Commerce is concerned about agriculture, education, tourism and highways. In addition, Maestri is interested in better representation for his district. "I want to make sure that the constituents get their money's worth," he says. "The incumbent doesn't do his job."

Edward J. Mason, owner of Ed Mason's 1980 Restaurants in Cumberland, MD, has earned a position of prominence during his 12-year political career in state government. He has held major committee assignments and was elected state minority leader. Last year, Mason was honored as "Republican of the Year" by the Maryland Republican Party.

Mason, who is seeking re-election, says his goals include "a more viable program for rehabilitating first-time offenders, developing a main transportation artery that would meet interstate standards and thus help our overall economic development, creating the best juvenile system in the country and taking steps to create an effective educational system."

Aaron W. Plyler, owner of the Hill Top Restaurant in Monroe, NC, is now a member of the North Carolina House of Representatives and is run-

Rector

Regan

Suggs

Vidricksen

ning for the state senate. He is also a member of the North Carolina Economic Development Board's Travel and Tourism Committee. "I want to do whatever I can for tourism in my state," Plyer maintains. "I want to see that what's being done in North Carolina is being done in the best possible way."

Gerald Powers of Sunnyville Restaurant in Ossipee, NH, is a first-time candidate to the state legislature. "I really believe that anyone who has a business should spend two years in government to find out what happens behind the walls," he maintains. "I think it will change my perspective, and I think I will become a better businessman for it." If elected, Powers plans to concentrate on taxation, spending, tourism and creating better jobs.

Veteran politican **William G. Rector** of Owl Inn Restaurant in Cheyenne, WY, has been a state senator since 1965, after three terms in the Wyoming House of Representatives. Rector serves as minority floor leader and also on committees concerned with revenue, labor and federal relations as well as rules and procedures. It is not surprising, then, that the issues of key concern to him are water, labor laws and state finances. Rector strongly believes that the insight of a restaurateur is far superior to that of "lawyers, ranchers, oil men," because, he says, "restaurateurs deal with every phase of the economic situation." "The biggest reward," he adds, "is being an important part of society."

Jack Regan of Jack's Place in Las Vegas, NV, is a first-time candidate for the state senate. "I want to establish an equitable tax for all taxpayers," he says. "Our tax situation is a mess. We are now faced with increased sales taxes, rising property taxes and diminishing services. I feel I have the time, the education and the professional know-how to do the job."

Karl Suggs of Karl's Restaurant in Tulsa, OK, is running for U.S. Congress. "My goal is to make sure that the government is responsive to the people," he says. "I want to be a representative of the people. Too often candidates get to Washington and don't care what the people back home want until it comes time for re-election."

Ben Vidricksen of Vidricksen's Food Services, Salina, KS, was appointed to the state senate in July 1978 and re-elected in 1980. Vidricksen, who has served on committees dealing with federal and state affairs, energy and natural resources and government organization, is proud of the fact that Kansas has a balanced budget. "I'm very much in favor of this on the national level," he says. "That is why the issue of spending is among my number-one priorities." Vidricksen is an NRA director and serves on the association's education and political education committees.

A view of lobbyists from the other side

The incumbents among the group of restaurateur candidates profiled here were asked, "How do you view lobbying now that you're on the other side?" Here is a sampling of their provocative responses.

Aiken of Georgia: "I used to have a distasteful view of lobbyists. I felt they got in the way and were unnecessary. Now that I am in office, I've found that lobbyists are important contributors to the governmental process. As a general rule, I have found that lobbyists are honest. They have to be or they lose their credibility, and that's the most important thing they have. On certain issues, there is so much rhetoric that it gets confusing. So you need to back up and look up some lobbyists and get their views because they are the experts. There's usually a lobbyist on either side of the fence. I listen to their views and then make up my own mind."

Mason of Maryland: "I feel that lobbyists are just as important a part of the political system as are legislators. If you're not a good lobbyist, you don't stick around long. Those who know their field are very, very valuable to a legislator. No one is a better source of information than the person who is representing an issue—whatever it is."

Plyler of North Carolina: "Good lobbyists are essential to legislators because they tell you things that you might never have found out otherwise."

Rector of Wyoming: "A legislator can't function without lobbyists. Lobbyists are valuable because they are right at your disposal. They are there to answer your questions, help you, advise you, criticize you or whatever. You really need them for information. I think lobbying is a very upright and honorable profession. It takes skilled people with a lot of know-how to do that job. I hold lobbyists in very high esteem."

Vidricksen of Kansas: "Lobbyists perform a service that would be impossible to buy. The government could not afford to pay for this kind of information, and it's paid for by someone else. Lobbying is important to the political process because lobbyists present a view that you wouldn't get otherwise. There's no way that you could research a question as thoroughly as lobbyists do—on both sides of an issue. You then weigh the two sides in your mind to make a decision. To me, lobbyists perform one of the most important functions of the political process. I think lobbyists ought to be commended because they spend their own money—the money of the people they represent—and they inform members of Congress so well. I am a very strong advocate for lobbying because I respect the lobbyists I work with."

CAFETERIAS

Sleeping giants of the foodservice industry

The last decade has not been a prosperous one for cafeterias. According to NRA's Foodservice Sales Panorama, *since 1972 commercial cafeterias have been fighting a losing battle with inflation. Some chains have cut back their operations, while others have tightened their belts in the hope that declining traffic will pick up. Although the picture looks bleak, it doesn't have to be. Cafeterias have a built-in flexibility that can make them appealing to every segment of the population.*

If you are a cafeteria operator, no one has to point out your major threats—you know them well enough—the competition of fast food chains and rising costs. But at the same time, you in the cafeteria business have qualities that no other food service operation can offer, qualities that can appeal to all segments of the population. You can offer good food, fast service, economy, ambiance, entertainment and specials. And you can do all of this easier and with less expense than any other food service establishment.

Richard McGeoch, vice president of Morrison, Inc., the nation's largest cafeteria chain, probably summed up cafeteria assets best when he said, "There is just no less expensive way to serve greater numbers of people with a complete balanced meal selected from a wide variety of menu items."

The menu—with its variety and flexibility—is indeed the cafeteria operator's ace in the hole. Unlike establishments with a printed menu, you can add or delete selections at your discretion on a day's notice to take advantage of seasonal produce, market specials, leftovers or chef suggestions. For example, you can plan entrees, pies and salads around apples during the apple season; or you can offer salmon entrees, soup or hors d'ouevres when salmon are in good supply. You can prepare stews and soups from leftover vegetables and bake homemade breads that can win you a loyal following. The possibilities are endless, as are the savings—and you can pass these savings along to your customers.

Changing the image. . .

If cafeterias have so much going for them, why aren't they more successful? Why are their real sales figures in the red while their strongest competitors—limited menu restaurants—remain in the black? Unfortunately and unfairly, cafeterias suffer from a poor public image. They are often perceived as drab, bleak places that serve heavy food to a primarily elderly clientele. Although this image doesn't do justice to many commercial cafeterias, it won't change unless cafeteria operators do something about it. The best way is to get the public into your cafeteria.

Unlike fast food chains that have developed masterful promotions, most cafeterias do not advertise. This is a mistake. Advertising and promotions will increase your traffic. You can sponsor general ads—directed to the entire community—which promote a special theme dinner (such as a "chickenfest") or a "skinny" alternative lunch that features the popular Scarsdale diet entrees—easy to plan and serve and sure to generate word-of-mouth endorsements. Alternately, you can advertise the way you prepare your foods or certain house specialties or the fact that you offer a bottomless cup of coffee.

You can also target your message to one demographic group. If you want to increase your singles traffic, you can sponsor a promotion with a singles club, a radio station or a local college. If you want business people to be part of your luncheon crowd, hand out fliers advertising your cafeteria in front of office buildings or advertise in the business section of your local newspaper. If you want to see mothers with young children walking through your lines, promote in your local supermarkets or shopping mall. Do what you must to get people into your establishment so they can see what a cafeteria of the 1980s is all about.

Once you have a new clientele in your cafeteria, don't prove their prejudices right. Remember, cafeterias are the only foodservice establishments where food orders are directly contingent upon looks. So show them your fresh, light food, your nutritious salads with homemade dressings, your fresh fruits, cheese boards and crisp vegetables—beautifully prepared and displayed. Show them your homemade breads, rolls and pastries and your appetizing entrees—including the ever popular hamburger often neglected by cafeterias. This doesn't mean that you should totally eliminate traditional items like beef stew and mashed potatoes. That's the beauty of a cafeteria; it can have something for everyone, and the customer's eye will focus on what it wants to see as long as there is variety.

Don't ignore your decor. Let your customers see a bright, clean, cheerful atmosphere where they will want to savor their food and invite friends to share meals with them. A look at some of the steps corporate and institutional cafeterias have taken to update their facilities illustrates what a difference a facelift can make.

Cafeterias for congressmen

Congress should run the country as well as it runs its restaurant system

What would you do if during the middle of your busiest luncheon period a bell on the wall went off and a quarter of your customers dashed out, leaving their half-eaten soups, sandwiches and entrees behind? You'd clear the tables, right, to make room for the next crowd? Not if you were managing one of the three cafeterias serving the U.S. House of Representatives.

Because of the awkward schedule of Congress and the unpredictability of quorum and vote calls (announced by the ringing of bells in all congressional offices, corridors and service areas), the foodservice system on Capitol Hill must be sensitive to the special needs of the nation's lawmakers. This is a task that runs havoc with industry-accepted management practices. The irregular schedules are only one problem; other challenges include: the congressional mandate to keep down the cost of certain menu items, such as coffee and doughnuts, and the space restrictions in rooms that were not originally designed for food preparation and consumption. Despite these difficulties, the foodservice management staff has made impressive progress in the last decade—with more changes planned in the years to come.

Less than 10 years ago, the Capitol Hill foodservice system cost taxpayers one million dollars. Today, the cafeterias, which serve more than 260,000 people per month, not only carry their own weight but also put money back into the U.S. Treasury. In 1980 the House restaurant system had a surplus of $10,000; in 1981 the surplus nearly tripled ($28,000), and this year projected profits show that the surplus could exceed $200,000 because of improvements in the economy and new cost control methods.

These surpluses are not at the expense of the 16,000 government workers who frequent the cafeterias and other food outlets. In fact, there is a congressional mandate to keep costs as low as possible. What accounts for the profits? Tom Marshall, staff director of the subcommittee on services (which is part of the House Administration Committee that oversees the House restaurant system) explains: "To absorb inflation in our system requires tighter management. We have found innovative ways to reduce internal costs, such as wholesale volume purchasing by a centralized commissary." As part of this new orientation to buying, the House foodservice system plans to standardize recipes by pooling the knowledge of the chefs. Already it has installed new technology to keep track of orders.

Like other commercial and institutional cafeterias across the country, the House restaurant system is in the middle of renovations, designed to improve the appearance of the food, to brighten the decor and to improve the efficiency of the service.

One example of the new facelift are the changes made in the Longworth cafeteria housed in the office building of the same name. The once colorless, pillar-ridden room has been redesigned to accent the cafeteria's courtyard heritage. The walls are now yellow and green, and the pillars have been turned into lamp posts. The furniture is more attractive and more comfortable.

There are three food lines in the Longworth cafeteria. One features fruit plates and individual sandwiches made to order; another offers traditional Southern soul cooking, including the Hill's famous bean soup and cornbread. There is a separate station for salad, which boasts 17 items that range from beets and eggs to chow mein noodles.

The chef eats in the dining room with the patrons, getting firsthand feedback on his menu items, which rotate each week according to monthly cycles. The cafeteria is open to the public except from 11:45 a.m. to 1:15 p.m. when the House is in session. "The first mandate of the House restaurant system is to feed members and their staffs when they are here," explains Joe Malone, general manager of all House foodservice operations.

Malone applauds the 250 men and women who are employed in the House restaurant system for meeting the challenges of hectic, unpredictable schedules. "They are a dedicated staff that feed people under stress and strain," he explains. "There is less than two percent turnover a year, and many employees have been working in the system for nearly 30 years." Malone plans to inaugurate "superstar awards" and other formalized thank-yous to recognize extraordinary service and to boost morale.

Other changes planned for the upcoming months include a customer survey to pinpoint the types of foods patrons want, the inauguration of speciality days to highlight a particular kind of cuisine and a feasibility study to look into the profitability of reopening a bakery for all congressional food outlets.

What does Malone see for the House restaurant system five years down the road? A commercially sophisticated operation—perhaps the most sophisticated in the country—that nets a profit of one-half to three-quarters of a million dollars. Malone plans to focus on innovative merchandising, including the scatter-system of food stations that will highlight speciality foods, such as deli items and homemade ice cream.

Corporate cafeteria facelifts. . .

Continental Bank, a subsidiary of the Continental Illinois Corporation, Chicago, IL, decided that the way to create a warm atmosphere in its main cafeteria was to replace floor tiles with hardwood and harsh fluorescent fixtures with drop lighting. This helped keep the noise level down and made the cafeteria more conducive to conversation. Banguettes and booths were built along the perimeter of the room for more comfortable seating, and plenty of plants were added to compensate for the lack of windows.

Amway Corporation in Ada, MI, chose to reflect the international scope of its business when it revamped its seven cafeterias. Each cafeteria now has a distinctive foreign decor representing an area of the world where Amway operates—from a South Seas port-of-call motif to a decor reminiscent of an old British public house.

French-owned Casino USA has turned its five American cafeterias into Parisian cafe replicas with art noveau exteriors. The "cafe casinos," as they are called, use red and green lavishly as well as false windows, etched glass, plants, chrome furniture, street lamp posts and generous touches of tile, wood, brass and copper.

Even a hospital cafeteria doesn't have to be drab and dreary as proven by the Sisters of Charity Hospital in Buffalo, NY. Its cafeteria, called Dining Inn, was redone in orange and brown. These colors contrast dramatically with one finished red brick wall. A brown carpet provides extra sound absorbency and keeps the cafeteria quiet even at the busiest hours. High windows, angled for a sky view, were designed to disguise some unattractive neighboring buildings.

A successful redesign does more than revamp the decor, however. It streamlines movement through the food lines, highlights foods and increases operational efficiency.

Speciality areas increase turnover. . .

One popular innovation that can put you in the running with your competition is to develop speciality areas in

Graduates speak out

FOODSERVICE TRAINING: Entree to promising career

Foodservice education students are driven by a common bond—their love for food. Whether they like to prepare it, eat it or arrange it, they have committed themselves to a career in the foodservice industry.

***NRA News** wanted to find out more about these students, and so it contacted a number of graduates from foodservice programs. These interviews explored why they decided on foodservice as a career, why they chose a particular line of study and how their education contributed to success on the job. The following vignettes should shed light not only on the effectiveness of foodservice training but also on the kinds of attributes, experiences and motivations foodservice operators might look for when they hire employees for their restaurants.*

1. Fascination from childhood. . .

Lori Henrie, a 1977 graduate of the Culinary Institute of America (CIA) in Hyde Park, NY, has been fascinated by the food business since childhood. When her father entertained his business clients at home, she planned the menus and arranged the food. Later when she worked for a catering company, she knew that foodservice would become her career and sought to learn as much about food as possible.

Henrie enrolled in a two-year program at CIA where the courses run the gamut from basic sauces to classical French cuisine. There she discovered the qualities needed to become a top-rate chef. "Every class was helpful," she said. "Not only did I learn a lot, but I still use my notes today."

Henrie is presently employed as a chef at the Paisley Shawl, a gourmet restaurant in Casper, WY. She is responsible for creating three entrees each day and overseeing the myriad of house specialities which include soups, salads and sandwiches. In addition to her chef duties, she also trains new employees.

Henrie's ultimate goal is to own a restaurant, but for now she loves what she is doing. "The smaller establishment is what I like best," she said. "Here I can apply all that I learned at CIA".

2. Role models and perseverance. . .

Echoing Henrie's enthusiasm is Richard Grund, a graduate of the hotel-restaurant program at Florida International University (FIU) in Miami, FL.

"My great-great grandfather was a butcher, my great grandfather was a chef and my grandfather was also in the business. I guess foodservice is in my blood," he said.

Grund began working in a restaurant when he was sixteen. ("I kept going back until the manager hired me.") He enjoyed the work so much that six years later he enrolled in a culinary arts program and soon found work as a chef. After a few years in that end of the business, he decided to pursue foodservice management.

"FIU offered well-rounded courses that can be directly related to the management of a restaurant," he said. "The professors were especially helpful. They made us think about what we were doing. It wasn't all textbook application." Grund has high praise for NRA Director Mike Hurst, a restaurant management professor at FIU. "Mike is the epitome of what you should be when you run a restaurant," he said.

Grund began his own business—Total Foodservice Directions—five years ago with his partner Gus Gregory. Starting with one account, a coffee shop in a Miami hospital, the company now has contracts with 16 institutional feeding units in the Dade/Broward/Ft. Lauderdale areas of Florida. Their accounts include banks, hospitals and colleges. One big account, Miami-Dade Community College, feeds approximately 55,000 students each year.

As vice president of operations, Grund is responsible for the company's short-range planning. He would like to open four or five units a year. Obviously, Grund's business is a success—but he worked long and hard to make it work. According to Grund, his course of study contributed to his knowledge of the business. "My foodservice education was very important your cafeteria. Not only will this increase the speed of service by having more than one food line but it will also increase customer involvement. The very nature of a cafeteria is geared to customer participation; and deli stations, dessert bars, grills, sandwich stations, salad bars and omelet or pasta lines all heighten customer choice and give the dining experience a sense of drama. "People like to see what they're getting and they like to do it themselves," says McGeoch of Morrison's.

Even if you decide against a speciality area, you might consider adding another food line to increase turnover. Other helpful changes can be adding extra coffee or beverage stations and condiment islands and hiring foodservers to help carry trays. Such special touches will help establish a caring atmosphere.

Some cafeterias have taken the speciality concept one step further and have devoted their entire menu around a speciality item. One example is Mama Mia!, a Chicago cafeteria that serves pasta and other Italian dishes.

Mama Mia's menu includes whole wheat, spinach and semolina varieties of pasta that are fashioned into spaghetti, linguine, fettuccine, rigatoni and conchiglie. Sauces include classic marinara, meat sauce, zucchini, Alfredo and clam. They also serve salads; meatball and sausage sandwiches; desserts, including Italian cookies, candies and pastries; and beer and Italian wine.

Why not entertainment?. . .

Entertainment is something that not many fast food, coffee houses or cafeterias offer, but it can boost sales. Alfredo's, an Italian speciality cafeteria in Washington, DC, offers entertainment with good results. During peak hours, a female vocalist, accompanied by a three-man band, entertains Alfredo's customers with show music and popular tunes. "Music helps people forget about their problems for a while," says Alfredo Toriello, the cafeteria's proprietor. Sometimes Toriello entertains his patrons with Italian songs from his own repertoire. And the crowds—they love it.

New technology can help combat rising costs. . .

Inflation—a burden for everyone—is especially problematic to cafeterias and other dining establishments that offer low-cost meals. A way to fight rising costs is through careful controls.

Edward Bartz, president and general manager of Bishop Buffets, Inc., in Cedar Rapids, IA, tells how his 29-unit cafeteria controls labor and food costs. "Our NCR 2125 cash registers help us keep a record of customers served per labor hour in each department—production, counter, floor, utility and so forth—and that helps us set standards and schedules based on each day's business."

"We can control food costs," continued Bartz, "because we know approximately what percent of each item we produce and sell to each customer each day. About five years ago, we started using these registers, and they have helped greatly in controlling production."

In other words, by monitoring customer preferences, you can adjust your purchases and portions and plan your menus more accurately. You can also be more realistic with your work schedules and can even plan your promotions around popular menu items.

The potential is there. . .

Cafeterias have the potential of doing well in the future—if they keep up with customer preferences and demands, merchandise their food attractively and promote their offerings to general consumers and targeted groups. More than other dining establishments, cafeterias have the flexibility to be creative and adaptable with their menus and the potential to involve customers. New technologies can also help cafeterias monitor and control labor and costs—thereby maximizing profits by increasing volume.

Slumbering Cafeterias: How to wake them up

I Lay out your cafeteria line so it is conducive to speedy service

- Consider speciality stations to funnel people to popular food areas, such as grills, sandwich stations, salad bars
- Break up one food line into two or three lines, or add an extra cashier to speed up checkout
- Display items so they are easily accessible

II Merchandise your menu

- Keep service areas spotless
- Prepare food in small batches throughout the day to maintain freshness
- Spotlight your food
- Pay attention to colors in the food line. Colors should contrast; for example, cauliflower looks good next to tomatoes, but not next to mashed potatoes
- Put dessert first in the food line. It's more likely to tempt customers if it comes before the entrees
- Don't ignore the ever-popular hamburger
- Use larger trays so customers can order more food

III Work at attracting more customers

- Create a cheerful atmosphere
- Advertise and promote your cafeteria. Create special luncheons; offer value cards for free beverages
- Consider entertainment
- Use new technology to keep track of items ordered at what time
- Evaluate your name. Is it likely to attract people? The word "cafeteria" does not have to be included
- Be innovative

to me. I learned every facet of the business."

3. *Training that's been redirected. . .*

For Greg Grime, a graduate of California Polytechnic State University in San Luis Obispo, CA, the course of study he pursued has held some surprises. Trained in the technical aspect of foodservice, Grime found the field of dietetics to be extremely competitive. "The dietetics/nutrition profession is traditionally female," he said. "I don't believe that I was openly accepted."

To counter this feeling of reverse discrimination, Grime sought an alternative career in the food industry. He is employed as a manager of quality assurance and food technology at Straw Hat Pizza, the fast-food division of Saga, Inc. in Dublin, CA. He still uses some of the technical training he received at college.

"I am a go-between, working with both manufacturers and the company to make sure that the product we order is made to restaurant specifications. For example, the cheese that is used on our pizza is exactly the same in every Straw Hat restaurant," he explained.

Grime is also involved in product development and works with a group of employees and a supervisor in the company's test kitchen. Two popular menu additions that have come out of the test kitchen are brownies made in pizza pans and a taco salad.

"My classes were mainly science-oriented, such as food chemistry and microbiology. Of course, I can't use those on the job, but I did receive a very complete education at California Polytechnic. I took some cooking classes and I worked as a waiter," Grime said. "All of that plays an essential role in my performance on the job. I'm glad I studied the technical aspect of foodservice."

For the future, Grime would like to continue at Straw Hat: "I'm able to get involved in a variety of projects; this is a great company to work for. Some day I hope to be director of quality assurance and food technology for all of the Saga divisions."

"I still use my notes today."

Lori Henric

4. *Need for more management training. . .*

Joanne Coppini, also a graduate of California Polytechnic and an employee at Saga, Inc., agrees with Grime about the competitive nature of the dietetics profession. But unlike Grime, Coppini uses all that she has been taught at college.

"I'm a foodservice director at Saga cafeteria, which means I do everything from planning menus to hiring and firing employees," she explained. "When I plan a menu, I draw upon my college training, but I do wish that the school offered more management courses. I could have used more training in that area."

"The dietetics/ nutrition profession is traditionally female. I don't believe I was openly accepted."

Greg Grime

Coppini is very happy in her position at Saga and would like to continue in the management end of the business for the next couple of years. She believes that her education taught her a lot about food administration and food preparation. She definitely plans to use her technical education throughout her career. "I worked very hard during my years at school. You better believe I'm going to use it all," she said.

5. *Learning in the 'real' world. . .*

The position of convention manager is always very hectic and Greg Rowell says he must be crazy for staying in the business this long. But Rowell says, "I like the work atmosphere—it's fast, exciting and rewarding."

As a graduate of the hotel, restaurant management program at the University of New Haven in West Haven, CT, Rowell was hired by the Hilton Corporation to be convention manager of the famous Waldorf-Astoria Hotel in New York.

"My education has provided me with background knowledge, but most of what I have learned has been through my position at the hotel," he said. "All of my courses were helpful, but each company has its own organizational practices that must be learned on the job. I believe that outside speakers—people actually working in the industry—would have been a very beneficial complement to book learning. That way the student would have an inkling as to what the 'real' world is all about."

6. *A specialty world renown. . .*

Mike Bortz has made a niche for himself since he graduated from the Culinary Institute of America in 1977. His passion for food has found expression in the fashionable world of gourmet chocolates. Bortz considers himself a confectioner, and he says that the chocolates he creates at the Mill Acres Restaurant in Wyomissing, PA, are rated among the top five in the world.

"Even in the recession our gourmet shop does a huge amount of business," he said. "When you produce a quality product, people do keep coming back."

Bortz's desire to enter the foodservice profession stemmed from an early interest in the industry. "There are so many different aspects, there will always be something to do," he said.

Bortz knew that he wanted to learn more about culinary arts, especially baking, but he could not specialize at CIA. His classes included all types of culinary arts. "I did get a good background at CIA," he adds. "I just wish I could have tailored my program to my interests. I would have loved to take more pastry classes."

7. More internships needed. . .

Howard Katz has been working in restaurants since he was 16—first as a busboy, then as a cook. He liked the management side of the business and decided to pursue a degree in restaurant management at the University of Illinois in Urbana, IL.

Katz is presently employed as an assistant manager at Bones, a Lettuce Entertain You, Inc. restaurant in Chicago, IL. "My education helped me learn general business, such as accounting practices in the restaurant," he said. "But some of the classes cannot be applied. I'm learning so much on the job.

"If the university had offered more internship programs, I would have been able to more closely relate to my job," he said. "I'm glad I studied restaurant management though. Without this degree, I would really be in the dark."

8. Graduate degrees in hotel and restaurant management. . .

Foodservice education does not stop at the undergraduate level. Many individuals seek graduate degrees in hotel and restaurant management in order to change careers or to prepare for more technical corporate positions.

Roberta Blum is one such individual who wished to change careers after three years in the teaching profession.

"I worked in a restaurant during college and found the field to be very exciting," she said. "The University of New Haven offers a unique program—an MBA in hotel and restaurant management—so I decided to apply."

"I just wish I could have tailored my program to my interests. I would have loved to take more pastry classes."

Mike Bortz

Blum is now employed as an assistant manager at the Crystal Fountain, a restaurant in the New York Hyatt Regency. "A lot of my courses were seminar-oriented, which is necessary at the graduate level, but not especially applicable to my position at the hotel," she explained. "I know this degree will be an important factor at the corporate level, however, and that's where I hope to be in the next few years."

Tom Van Gilder, general manager of a Charlie Brown's Restaurant, owned by Host International in Covina, CA, is another foodservice graduate degree holder. After working for the Marriott Corporation for a few years, he decided to supplement his undergraduate degree in business administration with a degree in hotel and restaurant management from the Florida International University in Miami, FL.

"My graduate degree gives me the background for the position of multi-unit manager. The program was very structured and the majority of my courses—especially advertising, marketing and accounting—are helpful to me today," he said. "Foodservice is a great profession. My education is a contributing factor to my success."

Scholarships available

Students enrolling in a foodservice education program this fall may qualify for two scholarship programs. These scholarships are awarded on the basis of career motivation, academic records and financial need.

1. **NIFI*-Heinz scholarships.** Seven scholarships for students in a four-year college program: 7 awards $2,600 each over two years. Three awards for students enrolled in junior college and community college programs. 3 awards $1,900 each over two years. Supported by H. J. Heinz Co. Foundation.

2. **Golden plate scholarships.** One hundred awards of $750 each for one year awarded to students in junior/community colleges, senior colleges or graduate programs. These scholarships are supported by the International Foodservice Manufacturers Association Educational Foundation.

Application for these scholarships will be available after October 1, 1982 from college directors of financial aid or department chairmen. In addition, applications are available directly from the National Institute for the Foodservice Industry, 20 N. Wacker Dr., Chicago, IL 60606. All applications and supporting documents must be received by NIFI, postmarked no later than April 1, 1983.

**National Institute for the Foodservice Industry.*

Editor's Note: *See "At your service" column in this issue for information on scholarships earmarked for foodservice educators.*

FINE TUNING YOUR PROPERTY INSURANCE

by Hank Raskin
President,
Commercial Insurance Agencies

3rd of a series

This is an overview of property insurance—leases, replacement cost endorsements, umbrella policies and other items—based on a presentation at the 1982 NRA Show. Raskin's overview of liability insurance will appear in the October issue of NRA News.

Insurance is an important, yet truly misunderstood aspect of foodservice operations.

In California, the average restaurant pays approximately $16,000 a year for insurance premiums, and I've heard it said many times, "I pay a lot of money and I never get a chance to use it." Insurance is not an investment. When people buy an insurance policy, they think they should get a return on their money. That's a mistaken impression. They're buying insurance for one thing only—protection.

Generally, people think that all policies are exactly the same. Every time they look at an insurance contract, the only difference they see is the price they're paying. That is like assuming that all beef is the same or all fish is the same. If you pay for chuck, nobody is going to give you sirloin; they're going to give you chuck. It's the same with insurance. Unfortunately, it's only when a claim occurs that the differences show up.

Picking an insurance agent. . .

The first rule: Be careful when you pick your insurance agent. Don't pick him by price alone. He should be a professional—as professional as your attorney or CPA. He should know all aspects of your business. He should understand the safety factors that are involved in a restaurant. He should understand the cost of sales in restaurants.

Don't pick an insurance agent because he comes in to your restaurant and eats there often, or because every Saturday you play golf with him or because he's your brother-in-law.

I'd like to give you an example of how important an insurance agent is. A client called me one day and he told me he got a quote from another agent that was about $10,000 less than our package policy. He purchased it, but left the rest of his insurance coverage with us.

Later that year, I woke up one morning, turned on the television and saw that this man's restaurant was burning. The fire ended up costing him $300,000 out of his own pocket because the other agent did not sell him as comprehensive a policy as he had before with us.

Understanding clauses in leases. . .

In addition to being well-informed about your insurance coverage, your agent should also touch on several other areas of your operation. One area that is really misunderstood concerns leases. You may think, what does an insurance agent know about a lease? That's for an attorney to look at, not an agent.

There are clauses in leases that you really don't need, clauses that cost you money in higher insurance premiums. As an example, you can eliminate one particular type of coverage called fire and legal liability with a "waiver of subrogation." A waiver of subrogation simply states that the lessee and the lessor waive their rights against each other in the event of a loss.

In most leases, it says that the lessee is responsible for both the maintenance and repairs on the leased property. Say you were negligent and caused a fire in that building. The owner's insurance company would replace the building for him, but it could come to you and say, "You are responsible to pay us back because you were negligent and caused this loss." That's why there is fire legal liability insurance to protect you against this claim, and then your insurance company pays for the damages.

However, if you had a waiver of subrogation—the landlord waives his rights against you and his insurance company's rights against you, and you're waiving your rights against your landlord if your equipment is damaged or destroyed. Therefore, his insurance company will pay for the building, and your insurance company will pay for the improvements and betterments that you've put into the building. If you have that waiver, you do not have to carry fire legal liability insurance coverage. This will save you a couple of hundred dollars a year. You should make this agreement prior to the drafting of a lease.

This raises another very important issue—one that concerns definitions of tenants' improvements and betterments in buildings. Many foodservice operators sign leases that say the improvements and betterments you make to the building as a tenant become a permanent part of—or belong to—the building.

The question always comes up at the time a loss occurs—who is going to pay for what? Is your adjustor or your insurance company going to pay you when there's a loss, or is the building owner's company going to pay him if there is a loss? That's an area that really needs to be spelled out in your lease.

There's usually another clause in the lease that makes me laugh. It says you must carry glass insurance. So you pay for glass insurance, but that's not really what it means. What it really means is that you're responsible for the glass in your windows. If you can afford to pay for that broken window yourself without financial burden, don't insure it. The landlord doesn't care if you really carry an insurance policy or not. What he's more concerned about is that you replace that glass.

These are some of the things your agent should watch in your lease. Don't sign a new lease until your agent has had a chance to review it.

Looking at business interruption insurance. . .

Your business interruption insurance is another area that your insurance agent should be very concerned about. It is actually more important than the fire policy portion of your insurance package.

If your building were to burn down or your equipment was destroyed and you had the proper fire insurance coverage, you could replace what you have if the policy was written correctly.

If you don't have the correct business interruption insurance, however, your cash flow will be affected. All foodservice operators have fixed expenses that continue day after day whether their restaurants are open or not. If your cash flow dried up, all your fixed expenses would still continue, and you would need money to pay them.

Unless you've got a lot of money sitting in the bank or you have the proper business interruption insurance, you're going to have a problem opening up your business and your competitor will start picking up your clients or customers.

Protecting yourself with an umbrella policy. . .

Another important policy that you should be concerned about is an umbrella policy. It's very difficult for people to understand today why they need to buy an umbrella policy because coverage begins at one million dollars and goes up from there. And they can't understand why they need that kind of exposure. The newspapers alone give you an indication that people are being exposed to large judgments.

In the first paragraph of your general liability policy, it briefly states that the insurance company has a right and a duty to defend you in case you are legally liable. But what it goes on to say is that if the insurance company thinks you're negligent, it can go

RESTAUR
FOOD
FINE FOOD
GRILL

ahead and pay the limits of your policy and walk away from you. This means the insurance company doesn't have to defend you and doesn't have to pay one dollar over and above the primary limits of your liability coverage.

An umbrella policy, on the other hand, picks up your first dollar of defense coverage. Defending a large lawsuit today is very, very expensive. So it's important that you have this kind of a policy. Also insurance companies do not like to lose an insurance case, and they will hire the best legal brains that they can get. This means that you're going to have terrific representation.

But most important, an umbrella policy protects your future income and your present assets. The best way to determine what limit you should buy for an umbrella policy is to figure out your total assets, anticipate what your future income is going to be, and then buy a limit that will be sufficient to cover both needs.

Adding a replacement cost endorsement. . .

Since I've been in the insurance business, I've heard many, many people say to me, "I've been carrying insurance all my life. I've never had a chance to use it, but when I did that one time, the insurance company only paid me for 50 percent of my loss." So what good is insurance if they won't pay you what a loss costs?

Well, let's see if I can clarify this problem a little bit. All standard insurance policies are written on a basis called "actual cash value." Actual cash value means replacement cost less depreciation.

Depreciation depends on the age of your equipment or the age of your building. It can run as high as 40 or 50 percent. That's why insurance companies only pay 40 or 50 percent on your claims. There is a solution to that problem, and it is called a replacement cost endorsement. This means that the insurance company will pay you what it costs today in labor and materials to replace the equipment or building.

It's easy to add a replacement cost endorsement to your policy, and it won't cost you anything. Simply replace the words "actual cash value" in your policy with the words "replacement cost."

Make sure, however, that the limits of your replacement costs are sufficient to cover any losses you may have. Let me illustrate this point. Let's assume that your restaurant building is worth $200,000 and that you had a 25 percent loss to the building. That loss would amount to $50,000. Now if the replacement cost limit you carry on your policy is $100,000, then you're carrying one half of your loss and will only be awarded $25,000 (instead of $50,000). This makes you a partner in this loss.

So make sure you're properly insured. You're not fooling anybody if you're under-insuring yourself. When the adjustors and appraisers come to handle a loss, I can assure you that they're looking for exactly this type of situation.

The best way to determine what limits you should carry on a building is to hire a certified appraiser. As far as your equipment replacement costs are concerned, contact your suppliers. They can come to your restaurant and estimate what your equipment would cost in today's market. As far as your plumbing, electrical work, carpeting, carpentry and other labor-intensive items are concerned, a general contractor can give you a fair evaluation.

If you take all of that information and put it together and you give it to your insurance agent to forward to the insurance agency, it's on record. And then if a loss does occur, you've not only proved that it actually happened, but you also have assured that your limits are up to date.

To keep those limits in line with inflation, you can add an "inflation guide endorsement." What this clause is really saying is that if you purchased a policy in January of a given year and you had adequate limits at that time, you would be covered in full at market rates in September if you suffered a severe loss at that time. In other words, you wouldn't be underinsured because of inflation.

How often should you review your policy. . .

Your agent should be sharpening your account each year. He shouldn't just renew your policy with the same company. He should take your risk to as many companies as he represents, whether it's two or three or four companies. He should give the same specifications to each company and present all quotations to you. You should then decide whether you want to keep or change your company. You may want to consider the premiums as well as the advantages of staying with a firm where you have a track record. You should definitely evaluate your policy at least once a year—just before renewal time.

ON THE HOUSE

Bread can be an effective merchandising tool

In this new column, NRA members have an opportunity to share their ideas, techniques and operation pointers with one another. To inaugurate the column, "On the House" focuses on breads, a staple of many restaurants. Other restaurant basics will be featured in the months to come.

You can do more with bread than just fill your sandwiches! It can demonstrate your creativity, set an atmosphere for the meal, promote your restaurant and—most importantly—please the customer without necessarily adding a great deal of cost to your operation.

Choose the bread that's right for you. . .

There are many ways to choose a bread. You can, for example, feature a popular favorite. According to a study by the Wheat Flour Institute, the top 10 breads in order of popularity are garlic bread, French bread, blueberry muffins, corn bread, crescents, soft rolls, cinnamon rolls, nut bread, Italian bread and sourdough bread.

Or you can tie the bread to your location, house specialty or ethnic dishes. Many restaurants in San Francisco serve the sourdough bread of Bay area fame. German restaurants often offer dark ryes and pumpernickel breads. Colonial restaurants sometimes serve a Southern favorite—spoon bread or Sally Lunn bread.

You can also choose to feature Armenian cracker breads, pocket or pita breads, bagels, croissants, salt sticks, date nut bread, kaiser rolls, cipe, challah—the bread types are as diversified as the restaurants themselves. There is no "proper" bread choice for a restaurant, except that the bread should be served with all the personal touches that make the guests feel welcome and special.

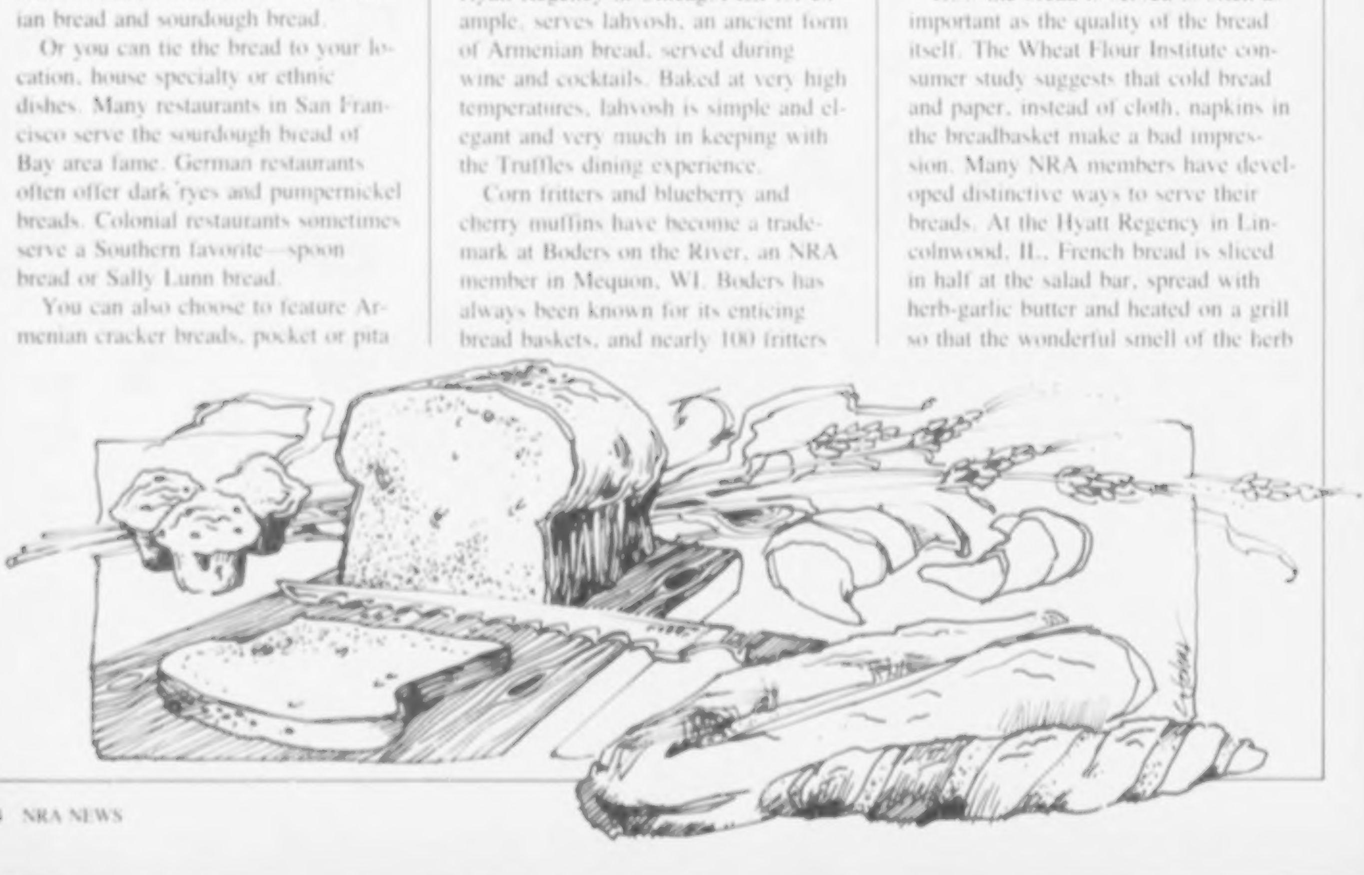
Many of our NRA members bake breads that have become quite popular. The pastry chef at Truffles in the Hyatt Regency in Chicago, IL, for example, serves lahvosh, an ancient form of Armenian bread, served during wine and cocktails. Baked at very high temperatures, lahvosh is simple and elegant and very much in keeping with the Truffles dining experience.

Corn fritters and blueberry and cherry muffins have become a trademark at Boders on the River, an NRA member in Mequon, WI. Boders has always been known for its enticing bread baskets, and nearly 100 fritters and 400 muffins are served warm each day. Another NRA member, Stephenson's Apple Farm in Independence, MO, has made a name for itself with its fresh muffins. The chocolate chip, orange and strawberry varieties are so good that people come back time after time!

Croissants are the house specialty at the two American Cafe restaurants located in Washington, DC. Just one of these large moist and airy croissants can become the ultimate bread feast—served plain, almond flavored or filled. Though these croissants are not complimentary, they are often requested as a side dish and form the base for many of the cafe's lunch and dinner entrees. An outside bakery owned by the American Cafe supplies the croissants and other foods fresh each day.

Serving the bread with eclat. . .

How the bread is served is often as important as the quality of the bread itself. The Wheat Flour Institute consumer study suggests that cold bread and paper, instead of cloth, napkins in the breadbasket make a bad impression. Many NRA members have developed distinctive ways to serve their breads. At the Hyatt Regency in Lincolnwood, IL, French bread is sliced in half at the salad bar, spread with herb-garlic butter and heated on a grill so that the wonderful smell of the herb



butter permeates the restaurant. Waiters come to the salad bar to fill up the breadbaskets—serving them immediately so that the bread is still warm and fresh.

Hiring a bread server can be an effective way to increase the perceived importance of the bread and save time for waiters to serve other food items. Mike Hurst of the 15th St. Fisheries and Boathouse in Ft. Lauderdale, FL, employs a "bread girl" who offers three kinds of homemade bread including sunflower wheat, rum raisin and salty rye.

All these NRA members bake their bread in-house, without a pastry chef or major changes in their daily operation. Restaurant kitchens are usually well-equipped to make yeast-risen breads, and quick breads or muffins are simple to produce.

There are alternatives to baking bread in-house, however. Frozen breads are a popular solution. They can eliminate much of the required labor and can even be personalized. *Food Service Marketing* in 1979 offered suggestions for making creative additions to frozen breads by adding herbs and spices such as sesame seeds, caraway seeds, fennel seeds, dill, onion powder and ginger.

Bread in a people bag. . .

Even after the diners leave, bread can be a profitable merchandising tool. NRA member Don Roth of the Blackhawk restaurant in Chicago, IL, said that his foodservers encourage diners to take home bread in a "people" bag designed with the Blackhawk name.

Other restaurants, which feature a regional specialty or a popular trademark, sometimes sell their bread as a souvenir. This can add another dimension to your restaurant business. A good example of a successful sales venture is the American Cafe which sells its famous croissants.

If you need a recipe for a bread product, don't forget NRA's Information Service and Library. It has countless recipe books. The accompanying box, with recipes tested by the American Culinary Institute, can also suggest ideas for your operation.

Recipes

Holland-Dutch topping to transform plain dough to signature item (developed by NRA instructor Ed Bradley and tested by Culinary Institute of America)

14 oz. rice flour
1 oz. sugar
1½ oz. shortening or butter
½ oz. salt
1½ oz. yeast
1 quart lukewarm water

Put first four ingredients in a container. Add 1½ oz. yeast (dissolved in 1 quart lukewarm water) to dry ingredients, and stir into a paste.* Let the mixture rise.

Take any ordinary white dough (frozen dough may be used) and spread raised mixture on top. Bake as usual. This gives the bread or rolls a crispy effect and creates a signature item.

*If paste is thick, the topping will resemble corn flakes. *If paste is thin, the topping will give the bread a crispy coating.

Mixture may be refrigerated and used the next day.

Last month the Culinary Institute of America opened American Bounty, its new restaurant, with an unusual ribbon-cutting ceremony: a ribbon made of pretzels was cut with a chef's knife. The following bread recipe, developed and tested by George Metropolis, is part of the new restaurant's repertoire.

Cottage dill bread or rolls

3 lbs. cottage cheese
4½ oz. sugar
1½ oz. chopped onions
3 oz. soft butter
1 oz. salt
1 oz. fresh dill
¼ oz. baking soda
6 oz. whole eggs
3 lbs., 12 oz. bread flour
5 oz. yeast
12 oz. water

Mix first eight ingredients together with a paddle. Add 5 oz. of yeast (dissolved in 12 oz. of water) and 3 lbs., 12 oz. of bread flour to mixture. Mix for 7 minutes. Allow the mixture to ferment for approximately 30-45 minutes. Scale into your 2 lb., 4 oz. loafs or one-oz. pieces for individuals rolls, and round by hand into balls. Proof them until double in size. Bake at 360 degrees for approximately 10-12 minutes or until golden brown. Brush with melted butter, and add a pinch of salt while loaves are still hot. *Yield:* 4 loafs or 12 dozen rolls.

Oregon hazelnut bread (developed by the Oregon Filbert Commission and tested by Culinary Institute of America)

2 lbs. toasted chopped hazelnuts or filberts
8 oz. whole eggs
2 lbs., 3 oz. brown sugar
10 oz. salad oil
2 lbs., 12 oz. buttermilk
3 lbs., 12 oz. pastry or cake flour
2 lbs., 4 oz. whole wheat flour
1½ oz. baking powder
½ oz. baking soda
1½ oz. salt

Beat eggs with wire whip until light in color. Add brown sugar and continue beating. Add salad oil and continue beating. Add buttermilk and blend in.

Sift together all dry ingredients, and stir into mixture until blended. Add the hazelnuts last. Scale (divide) into one-lb. loaf containers, and bake at 370 degrees for 45 minutes. (If the mixture appears dry, add more buttermilk.) *Yield:* 14 one-lb. loaves.

THE HUMAN SIDE

Foodservice instructor returns to the kitchen

Donning a chef's hat and apron, Charlotte Schwyn, foodservice instructor at San Joaquin Delta College in Stockton, CA, stayed in the kitchen this past summer to chop onions, grate cheese, blanch vegetables, filet fish and blend dessert sauces.

Schwyn was one of 32 participants in this year's NRA/NIFI Teacher Work-Study Grant Award program. The grants are awarded on a competitive basis to teachers and administrators involved in foodservice career education to enrich their knowledge of the industry.

Schwyn worked at Le Bistro Restaurant in Stockton, CA, for eight weeks learning the four cooking stations in the kitchen, from pantry work to a stint as sous chef. "The owners answered tons of questions," she said. "They made a conscious effort to move me through the ranks and let me experience all aspects of the kitchen."

Working ten hours a day, five days each week, Schwyn was on the job every summer weekend. "In the foodservice business, weeks are geared for the heavy Friday and Saturday production, which contrasts with the academic world," she explained.

Schwyn's duties during the first weeks consisted of making salads, desserts and appetizers. Later she assisted in the buying and preparation of meat and fish supplies. She filleted salmon and trout, prepared swordfish and halibut and boned veal loins. "Some of these items cost more than $100 each," she exclaimed. "This experience would be very expensive to attempt at home or in college experiments."

The next station along the way to sous chef was the position of back-up person. The back-up person helps the cook prepare sauces and other dishes as needed, calls off orders to the other stations, adds any last-minute touches to entrees and then assembles the meals, such as placing fish in a cream sauce or arranging vegetables on each plate. "The power of the kitchen was in the position of the chef, but I felt that there was a greater challenge for the back-up person since that position controlled the tempo of the kitchen," she observed.

During the last three weeks, Schwyn was given the responsibility of sous chef. "I handled that position well, even on Friday and Saturday nights," she said. "Of course, I had plenty of help. The other employees in the

kitchen were all male, and ranged in age from 19 to 30. As a 45-year-old female, I know it was a challenge for the kitchen to accept me. But they were all very gracious and made me feel welcome. I saw firsthand how important it is to have a team effort in the kitchen."

"Without the NRA/NIFI practical experience, I would still be a novice in the world of quantity food production instruction," she added. "Every foodservice instructor should take advantage of this wonderful opportunity. It opens your eyes to the way business is actually conducted in the industry." For information on NRA/NIFI grant opportunities for next year, see the "At your service" column on page 28.

Photo to left: As part of her eight-week training in food preparation, Charlotte Schwyn (R), a 1982 recipient of the NRA-NIFI Teacher Work-Study Grant Award, receives hands-on-instruction in fish preparation from Rick Dunn, chef/owner of Le Bistro Restaurant in Stockton, CA.

Monograph on vocational education

This December, at the annual meeting of the American Vocational Association in St. Louis, the California, Massachusetts, Michigan and New Mexico state restaurant associations will discuss their highly regarded programs in the area of quality vocational education. Their presentations will become the basis for a monograph to be prepared by the NRA/AVA Advisory Council in Foodservices.

The council was created jointly in 1980 by the National Restaurant Association (NRA) and the American Vocational Association (AVA). By the end of the last decade, it became apparent that the lack of meaningful curricula to meet the needs of the foodservice industry was a national problem and that educators and vocational counselors were not aware of the opportunities for career development in the foodservice industry. The council was created to address those needs. Workshops and other how-to education programs have resulted from the council's activities.

"Effective programs and their 'products'–students who are well-prepared for jobs—have developed from industry/educational communication and collaboration," says the council's new chairwoman Nancy Dini of Dini's Sea Grill in Boston. "To work with students to establish and upgrade foodservice education programs has proven to be good business for restaurateurs. Whether motivated by a concern for the quality of training provided for future employees, a desire to help young people or interest in ensuring that a school system spends its money wisely, foodservice people have found participation in foodservice education meaningful."

Students test their foodservice skills

Last summer more than 2,300 students, enrolled in trade and industrial vocational schools, assembled in Louisville, KY, to test their skills in 28 selected occupational fields, including the commercial food trades. This event is called the U.S. Skills Olympics and was sponsored by the Vocational Industrial Clubs of America (VICA), an organization committed to improving the quality of America's goods and services.

Each contest was carefully planned by a technical committee made up of representatives from labor and management. This committee developed the projects included in the contest, organized necessary equipment and obtained qualified individuals to act as judges.

Working within a time limit to complete projects and solve problems related to tasks they will later encounter on the job, students demonstrated their competence and ability under the watchful eye of expert judges from their respective fields.

In the commercial food trades contest, the contestants were required to prepare a five-course menu which included corn chowder, carrot salad, baked stuffed potatoes, buttered broccoli and apple turnovers.

Professional chefs from the Louisville area judged the contestants on the basis of accuracy and workmanship, including the proper use of tools and equipment, as well as their ability to read and understand directions and to apply basic culinary theory and procedures. Speed of performance and proper safety practices were also significant factors in the judging process.

NRA Chicago Division Head Dick Gaven, a member of the commercial food trades technical committee, believes that the Skills Olympics is an exciting educational event. "The entire atmosphere generates involvement and dedication. It's a great service to the students and to the future." For information on next year's Skills Olympics, contact VICA at (703) 777-8810.

The Vegetarian Gourmet Cookbook

Special offer

The Vegetarian Gourmet Cookbook

FP 990; sale price $19.95
(regular price $29.95)

For those who have never tried cooking without meat this recipe book contains well-tried favorites such as nut roasts, wholegrain pastas and marvelously warm and filling soups. For those who are already confirmed admirers of the vegetarian way of life, you'll find mouth-watering easy to follow recipes guaranteed to enhance your eating pleasures.

The Vegetarian Gourmet Cookbook is, however, more than just another cookbook with the accent on meatless food. It provides a comprehensive nutrition guide to healthy eating without meat and menu ideas for well-balanced, delicious vegetarian feasts. It contains over 400 recipes.

Order now, sale price $19.95 each.

Company name ____________________
Contact name ____________________
Address ____________________
City/State/Zip ____________________

Offer expires December 1, 1982.

Quantity	Catalog number	Price

Subtotal ________

- DC and IL residents add 6% sales tax
- U.S.A. please add 10% shipping and handling charges
- International add 20%

TOTAL ________

For cash orders

Payment must accompany all orders less than $50.
Make checks payable to the National Restaurant Association.
My check in the amount of $ ________ is enclosed.

For credit card orders

My credit card ☐ VISA ☐ MasterCard
☐ American Express
☐ Diners Club

________ card #

Signature ____________________
Expiration date ________ month ________ year

AT YOUR SERVICE

Education questions are most popular

Foodservice education comprised 10 percent of the total number of questions posed to NRA's Information Service & Library in 1981. The following is a sample of the more than 700 questions NRA staff answered on the topic of foodservice training.

Q: Is there a directory of higher education programs for foodservice management?

A: NRA and the National Institute for the Foodservice Industry (NIFI) have compiled pamphlets listing junior community and senior college programs in hotel, restaurant and institutional management. These pamphlets are available from the National Restaurant Association, 311 First Street, N.W., Washington, DC 20001; or the National Institute for the Foodservice Industry, 20 N. Wacker Dr., Chicago, IL 60606.

Q: Are there scholarships earmarked for foodservice educators?

A: Two foodservice management fellowships and grants are available to teachers and administrators of foodservice-career education programs. They are:

NRA/NIFI teacher work-study grants. Awarded on a competitive basis, they provide hands-on work experience in the foodservice industry that is designed to enrich recipients' knowledge of the industry and to increase their capability to relate that knowledge to students. The grant supplements income earned during work-study employment.

25 grants for $2,000 each
Supported by
National Restaurant Association

Applications and supporting documents postmarked no later than November 1, 1982.

NIFI-HEINZ graduate degree fellowships. These fellowships are awarded on a competitive basis to teachers and administrators enrolled in academic programs leading to a master's or doctor's degree to improve their skills in teaching foodservice courses or administering foodservice career education.

One fellowship—$2,000
One fellowship—$1,200
Five fellowships—$1,000 each
Supported by
H.J. Heinz Company Foundation

Applications and supporting documents postmarked no later than April 1, 1983.

Q: Has the number of students pursuing degrees in foodservice management increased over the past few years?

A: According to a recent survey by NRA and NIFI, 73 colleges and universities, offering degrees in hotel, restaurant and institutional management, granted 2,289 degrees in 1979. In 1980, 84 schools graduated 3,674 students. Projections indicate that between 1980 and 1983 this number will increase by 54 percent.

Q: What is the employment outlook for the foodservice industry in the 1980's?

A: According to the Bureau of Labor Statistics (BLS), employment in food service occupations is projected to increase 39.5 percent between 1978 and 1990. The percent increase for managers of restaurants, cafeterias and bars is expected to increase 30.3 percent from 1978 to 1990.

For more information on any of these topics, contact the information service & library at the National Restaurant Association, (800) 424-5156.

FOODSERVICE TRENDS

Reasons for dining out for selected demographic segments

This article highlights some important results from a November 1981 NRA study "How Consumers Make the Decision to Eat Out"—since published as a report by NRA.*

NRA commissioned Westat, a research firm, to conduct a telephone survey that asked consumers:

- **Why they dine at different types of restaurants**
- **How they make the decision to eat at various restaurants**
- **What attributes are important to them when they choose a restaurant.**

The types of restaurants discussed included fast food places, family restaurants and atmosphere establishments.

Answers to survey questions varied by demographic characteristics, such as marital status, income and employment. A closer look at the data may be helpful to restaurant operators who are looking at their customer traffic patterns, designing advertising copy and developing promotions.

Upper income households likely to dine out for lack of time and convenience reasons. . .

When individuals from households earning more than $30,000 are pressed for time, they tend to eat at fast food and family restaurants. Convenience is another key reason for choosing these restaurant types. On the other hand, when they want a night out or want to celebrate a special occasion, they choose an upscale restaurant.

Nearly four out of 10 individuals from households earning more than $30,000 reported lack of time was the primary reason for dining at a fast food place, and an additional 35.9 percent mentioned convenience. In the case of family restaurants, 34.9 percent of those interviewed cited convenience as the primary reason for eating out and 17.7 percent indicated lack of time.

Four out of 10 consumers from this demographic group selected an atmosphere restaurant because they wanted to celebrate a special occasion, and two out of 10 did so because they wanted a night out. However, a relatively large proportion of respondents from upper income households (15.1 percent) went to an upscale eating establishment because it was convenient or because of lack of time.

When these patrons eat out, they tend to look for different things depending on their reason for dining away from home. Because a meal at a fast food place is associated with time and convenience factors, upper-income patrons seek a conveniently located restaurant that serves good food quickly. Such attributes as atmosphere and variety of menu items are not particularly important factors when choosing a fast food restaurant.

A large number of people from households with upper incomes cited convenience and lack of time as reasons for going to family restaurants, but additional attributes also were important in choosing a family restaurant. These patrons looked for good food and a convenient location as well as atmosphere and friendly service when they made their family restaurant selection.

Most occasions at atmosphere restaurants for upper-income households are associated with celebrating a special event or enjoying a night on the town. As a result, these patrons select a restaurant with good food, friendly service and atmosphere—factors that enhance the dining experience. Attributes, such as convenient location or convenient parking, are not particularly important.

Working wife households eat out because it is convenient. . .

Households with a working wife or mother are likely to eat at all three types of restaurants because it is convenient or they lack time. Because of significant time demands on the wife or mother, these households tend to view eating out as a necessity. Time considerations are the major reason why families with working wives eat at fast food places. Convenience, on the other hand, is a decisive factor in why they dine at family restaurants and is of considerable importance in making the decision to go to upscale establishments.

Forty-five percent of respondents from households with a working wife or mother said their primary reason for going to a fast food restaurant was lack of time, and an additional 27.4 percent mentioned convenience. On the other hand, more of

---

*NRA's consumer study, **How Consumers Make the Decision to Eat Out,** is available from the NRA Educational Materials Department, 311 First Street, N.W., Washington, DC 20001 or by calling toll free (800) 424-5156. The price is $25 for members and $45 for non-members. (Please specify order number CS 960.)

these patrons (24.0 percent) said convenience plays an important role in why they eat at family restaurants than does lack of time (mentioned by 15.9 percent of the respondents.)

Celebrating special occasions or simply enjoying a night out were most often cited by these families as reasons for dining at upscale restaurants. However, nearly two out of 10 (17.9 percent) reported that their primary reason for dining at an atmosphere restaurant was because it was more convenient to do so.

When people from families where the wife or mother works dine out, they want fast food restaurants to have good food and fast service and to be conveniently located because they are in a hurry. Although good food is also important when choosing a family restaurant these patrons also expect friendly and courteous service and pleasant surroundings. Occasions at this restaurant type are often associated with celebrating a special event, and, as a result, these individuals want to enjoy a more relaxed meal than one normally associates with a fast food restaurant.

Because more than half the meal occasions at upscale eating establishments for this demographic group are to celebrate a special event or to enjoy a night out, it is not surprising that the respondents look for upscale restaurants that have good food, atmosphere and friendly service.

Singles choose fast food restaurants because of convenience. . .

Singles are more likely to go to fast food places because of convenience than because of lack of time, contrary to the pattern for most demographic groups. Thirty-six percent of the singles interviewed reported that their primary reason for eating at fast food restaurants was due to convenience, compared with a significantly lower (28.3 percent) who indicated lack of time.

Top five attributes of various restaurant types by demographic characteristics

Fast Food Restaurant

Single	Married/ no children	Working wife or mother	Households earning $30,000 or more
Quality of food	Quality of food	Quality of food	Quality of food
Friendly service	Fast service	Convenient location	Convenient location
Fast service	Friendly service	Fast service	Fast service
Convenient location	Convenient location	Friendly service	Friendly service
Nutritious food	Convenient parking	Convenient parking	Convenient parking

Family Restaurant

Single	Married/ no children	Working wife or mother	Households earning $30,000 or more
Quality of food	Quality of food	Quality of food	Quality of food
Friendly service	Friendly service	Friendly service	Friendly service
Atmosphere	Atmosphere	Atmosphere	Convenient location
Nutritious food	Convenient parking	Nutritious food	Atmosphere
Expected cost of total meal	Nutritious food	Variety of menu items	Variety of menu items

Atmosphere Restaurant

Single	Married/ no children	Working wife or mother	Households earning $30,000 or more
Quality of food	Quality of food	Quality of food	Quality of food
Atmosphere	Atmosphere	Atmosphere	Friendly service
Friendly service	Friendly service	Friendly service	Atmosphere
Variety of menu items	Convenient parking	Nutritious food	Nutritious food
Nutritious food	Nutritious food	Variety of menu items	Variety of menu items

Source: *How Consumers Make the Decision to Eat Out*, National Restaurant Association, August 1982.

Convenience is also a prominent reason for dining at a family restaurant for this segment of the population. Seventeen percent of the single respondents cited this reason, more than twice as many who indicated lack of time. In addition, 17.7 percent of these patrons reported that they chose a family restaurant when they wanted to celebrate a special event.

Most singles (48.5 percent) go to atmosphere restaurants when they celebrate a special occasion, such as a birthday or a job promotion.

Singles select fast food places that are conveniently located, serve good food and have friendly service (in contrast to other groups that place a higher premium on fast service).

Singles choose family restaurants that serve good food, have friendly service and a pleasing atmosphere. In addition, they are more concerned with the expected cost of the meal at this type of restaurant than are individuals from most other demographic groups.

The attributes which singles believe are important for atmosphere restaurants correlate with their primary reason for dining at this type of establishment—a celebration. They therefore look for quality food, a pleasing atmosphere and friendly service.

Married couples eat out often because of convenience . . .

Married couples with no children tend to dine at fast food restaurants because of lack of time, at family restaurants because of convenience and at upscale eating establishments to celebrate a special occasion [illegible] enjoy a night out.

More than one-third of the respondents from married couple/no children households reported that time considerations are the primary reason for going to a fast food place, and an additional 23.7 percent cited convenience as the main reason. Convenience is a much more prevalent reason for choosing family restaurants than is lack of time—26.6 percent versus 12.1 percent. Nearly four out of 10 of these patrons said they go to an atmosphere restaurant to celebrate a special occasion and one out of 10 go when they want a night out. On the other hand, 13.7 percent of the respondents from this household type indicated that their primary reason for dining at an upscale restaurant is convenience.

The restaurant attributes that individuals from married couple households consider necessary for each of the three types of eating places closely correlate with their reason for dining away from home. Fast food restaurants should offer good food quickly. Friendly service is a plus as are convenient location and convenient parking.

Married couples prefer family restaurants that offer good food, friendly service and a pleasing atmosphere. Although these individuals often dine at this type of restaurant because of time or convenience considerations, they also want a pleasant dining experience in comfortable surroundings. Because most upscale restaurant occasions for this demographic segment are associated with a celebration, these patrons will select a restaurant which is known for its good food, pleasing atmosphere and friendly service.

For additional information on the decision to eat out, consult NRA's report, "How Consumers Make the Decision to Eat Out."

Primary reason for dining at various restaurant types by demographic characteristics

Percent indicating

	Fast food restaurant				Family restaurant				Atmosphere restaurant			
Reason	**Single**	**Married/ no children**	**Working wife or mother**	**Households earning $30,000 or more**	**Single**	**Married/ no children**	**Working wife or mother**	**Households earning $30,000 or more**	**Single**	**Married/ no children**	**Working wife or mother**	**Households earning $30,000 or more**
Lack of time	28.3%	36.5%	45.2%	37.5%	8.0%	12.1%	15.9%	17.7%	5.1%	—	2.3%	5.0%
Convenience	36.2	23.7	27.4	35.9	17.4	26.6	24.0	34.9	9.4	13.7%	17.9	10.1
Out shopping	17.5	8.5	6.0	7.8	15.6	7.0	4.3	3.7	5.8	—	2.1	2.1
Traveling	1.8	7.6	5.1	5.7	3.8	6.0	4.5	8.8	—	3.1	0.7	3.2
Special occasion	0.7	2.4	2.2	0.6	17.7	14.5	21.9	9.4	48.5	37.6	32.5	38.9
Date/night out	0.7	1.3	0.7	0.9	9.9	4.4	5.7	5.9	12.4	10.7	22.5	20.4
Business meeting	—	0.4	0.4	0.3	—	0.6	1.1	—	—	4.5	4.4	3.9
All other reasons	11.0	17.8	12.9	9.4	20.4	24.7	19.6	16.2	13.0	20.8	11.8	11.0
Do not know	3.8	1.8	0.1	2.1	7.1	4.1	3.1	3.2	5.8	9.8	5.9	5.6

Source: *How Consumers Make the Decision to Eat Out*, National Restaurant Association, August 1982.

Consumer Analysis:

How consumers rate restaurant food quality and service

Food quality and good service are the most important criteria when customers select a restaurant.

According to results of a recent NRA study *How Consumers Make the Decision to Eat Out*, more than eight out of 10 respondents indicated that the quality of food served was the most important consideration when choosing a place to eat, and three-fourths said friendly service was an important factor. (For more information on this study see the article "Reasons for dining out for selected demographic segments," which begins the "Foodservice Trends" section in this issue.)

Since food quality and service are the most important components of the dining experience, NRA sought further information on how consumers rate these characteristics at restaurants they frequent. A question was included on the March Gallup survey on the service received at restaurants and on the June Gallup survey on the quality of food served.

Consumers interviewed for the *March Gallup Monitor of Eating Away from Home**, who indicated they had eaten out the previous day were asked, "Using a scale of one to 10, where 10 represents excellent service and one represents very poor service and the numbers in between represent varying degrees of satisfaction—where on the scale would you rate the service you received?" Consumers interviewed for the June Gallup survey were asked the identical question, but food quality was substituted for service. Responses to both questions form the basis of this article.

Service rates higher than food quality. . .

Overall, restaurant patrons are satisfied with the quality of food served and the service they receive when dining away from home. However, food quality does not rate as high as service. A larger proportion of respondents—24.1 percent—rated the service they received at their last restaurant meal as "excellent;" 13.7 percent gave the same rating for the quality of food served.

Almost half, 47.2 percent, gave food quality a "good" rating, slightly lower than the proportion for service—51.1 percent. On the other hand, food quality was judged "poor" or "very poor" by only 4.1 percent of the individuals interviewed while the corresponding rating for service was mentioned even less frequently—by 3.2 percent of respondents. (NRA will be investigating exactly what consumers mean by food quality—taste, appearance, method of preparation—in a new consumer survey which will be released later this year.)

Food quality and service ratings vary by sex, age and income level. . .

Food quality and service ratings vary by demographic characteristics such as sex, age and income level. Analysis of the data reveals that women are more inclined than men to give an excellent rating for both the quality of food served and the service they receive at restaurants. Sixteen percent of the female respondents indicated that the quality of food served at

Food quality and service ratings by sex

	Total respondents		Men		Women	
Rating	**Food Quality**	**Service**	**Food Quality**	**Service**	**Food Quality**	**Service**
Excellent	13.7%	24.1%	11.8%	18.9%	16.2%	30.6%
Good	47.2	51.1	49.2	56.9	44.4	43.9
Fair	33.2	20.5	33.1	19.7	33.1	21.6
Poor	3.4	2.4	3.2	3.0	3.6	1.6
Very poor	0.7	0.8	0.2	1.0	1.3	0.5

**The* Gallup Monitor of Eating Away from Home *is conducted monthly and tracks trends in eating out behavior for the U.S. population. Telephone interviews are conducted with approximately 1,000 adults 18 years of age and older. Respondents are asked to report on all meals eaten at a restaurant, fast food establishment or any other place where food was purchased, such as a lunchroom or cafeteria at work or school on the previous day. Specifically, individuals are asked to report on which meal occasion they ate out, the type of restaurant visited and which day of the week the visit occurred. The interviewing for NRA's food quality question took place between June 4-17, 1982. The interviewing for NRA's service-related question took place between February 26 and March 14, 1982. For a detailed look at how restaurant patrons rate the service they received at restaurants, see the "Foodservice Trends" section in the May 1982 issue of NRA News.*

their last restaurant meal was excellent and a considerably larger proportion—30.6 percent—gave service this same rating. This compares with 11.8 percent and 18.9 percent, respectively, for male respondents.

Individuals from all age groups, with the exception of those between the ages of 18 and 24, rated the service received in restaurants higher than the quality of food served, as shown in the accompanying table. However, almost 65 percent of respondents in the 18 to 24 age segment reported that the quality of food served at their last meal out was excellent or good, compared with a slightly smaller proportion, 61.3 percent, giving service this same rating. Food quality received a large number of "fair" ratings from respondents in the middle age groups. Thirty-nine percent of those between the ages of 25 and 34 and 36.9 percent of those between the ages of 35 and 49 rated food quality as fair. In contrast, the majority of respondents in these two age segments rated service in restaurants as good.

Service received the highest rating from persons in the 65 and over age group—88.7 percent indicated it was excellent or good while 68.9 percent gave food quality this rating.

Individuals from all income levels rated the service received in restaurants considerably higher than the quality of food served. Food quality was rated highest by respondents in the lower income group while service was given the highest marks by persons from households earning $15,000 to $19,999. Sixty-three percent of respondents from households earning less than $15,000 indicated the quality of food served at their last meal out was excellent or good while a somewhat larger proportion of these individuals—72.5 percent—gave service this same rating.

Eight out of 10 people from households earning $15,000 to $19,999 indicated the service at their last restaurant meal was excellent or good versus only 55.2 percent giving food quality this same rating.

People from upper income households rate service at restaurants considerably higher than they do food quality. Six out of 10 individuals from households earning $20,000 to $29,999 and $30,000 and over indicated the quality of food served was excellent or good while a larger number of respondents from these income groups—eight out of 10—gave service this rating.

Although most consumers from lower and upper income groups are pleased with quality of food served at restaurants, a significant number rated it as poor or very poor. Eight percent of individuals from households earning $15,000 and under and 6.2 percent of those from households with an income of $30,000 and over reported that the quality of food served at their recent restaurant meal was poor or very poor. In contrast, only 3.9 percent of individuals from households earning less than $15,000 and 2.9 percent of those in the $30,000 and over income category rated service as poor or very poor.

Infrequent patrons view food quality and service more favorably. . .

Individuals who eat out only once a week are more inclined to view restaurant food quality and service as excellent than are more frequent restaurant patrons. Nearly one-fourth of respondents who eat out an average of once a week judged the quality of food served and the service they received at their last restaurant meal as excellent. Almost one out of 10 individuals who eat out less than once a week rated food quality as excellent. However, a significantly larger proportion of these infrequent restaurant patrons—38.5 percent—said the service at their recent restaurant meal was excellent.

Respondents indicating they eat out at least twice a week rated service higher than food quality. Nearly one-fourth of these individuals stated the service they received at their last restaurant meal was excellent versus only one out of 10 who felt the food quality deserved this rating.

Adult-oriented restaurants have highest food quality rating. . .

Food quality and service at upscale restaurants received similar high marks. Twenty-two percent of patrons who ate their last meal out at adult-oriented restaurants said the quality of food served was excellent. Almost the same number—21.4 percent—gave this rating to the service they received. The

Food quality and service ratings by age group

	18-24		25-34		35-49		50-64		65 +	
Rating	Food quality	Service	Food quality	Service	Food quality	Service	Food quality	Service	Food quality	Service
Excellent	6.9%	10.3%	8.8%	21.9%	18.5%	16.2%	17.6%	43.1%	18.9%	48.6%
Good	57.7	51.0	43.9	57.5	36.5	55.5	56.8	43.8	50.0	40.1
Fair	31.1	34.6	39.2	18.1	36.9	23.5	23.2	8.2	27.1	5.7
Poor	4.3	2.0	3.6	2.2	5.2	3.9	1.6	3.8	—	—
Very poor	—	2.1	—	—	1.0	0.4	—	—	4.1	2.9

Food quality and service ratings by restaurant type

	Family		Fast food		Cafeteria		Adult-oriented (Upscale)	
Rating	Food quality	Service	Food quality	Service	Food quality	Service	Food quality	Service
Excellent	15.8%	28.4%	6.7%	20.9%	17.9%	20.0%	22.4%	21.4%
Good	50.9	51.6	48.6	30.8	32.0	50.0	43.3	58.0
Fair	31.6	14.4	38.9	24.8	42.3	25.6	19.4	20.5
Poor	1.3	3.6	4.6	0.8	7.6	3.3	4.5	—
Very poor	—	1.5	0.4	0.8	—	—	—	—

percentages diverged in the "good" rating. Food quality was ranked good by 43.3 percent of the respondents, while 58.0 percent gave service this rating. When it came to poor or very poor ratings at upscale restaurants, food quality received these low marks by 4.5 percent of the respondents. Service received no poor or very poor ratings.

Service was judged highest at family restaurants, with 28.4 percent of respondents rating it as excellent. Food quality at this restaurant type, on the other hand, received an excellent rating by only 15.8 percent of the respondents. Although service was rated highest at family restaurants, a significant number of patrons—5.1 percent—indicated it was poor or very poor, while only 1.3 percent gave food quality this rating.

The proportion of individuals rating service at fast food restaurants as excellent was significantly larger than those giving this rating to food quality—20.9 percent versus 6.7 percent. In addition, food quality was judged poor or very poor at this restaurant type by 5.0 percent of the patrons while only 1.6 percent gave service this same rating. Consumers may settle for what they consider lower food quality at fast food restaurants because their primary reason for visiting this type of restaurant is convenience and fast service.

Diners rate food quality highest at dinner. . .

A look at food quality and service ratings by meal occasion reveals that diners appear more satisfied at dinner with both the quality of food served and the service received. Sixteen percent of individuals interviewed indicated the quality of food served when they last ate out for the evening meal was excellent and almost half, 54.1 percent, rated it as good. The corresponding proportions for service are 24.9 percent and 53.3 percent. These figures are not surprising since dinner is usually eaten at family restaurants and atmosphere restaurants where many respondents rated food quality and service as excellent or good.

Service also received higher ratings than food quality at both breakfast and lunch. A large number of these meals are probably consumed at fast food restaurants, which explains the emphasis on service. Fourteen percent of individuals indicated the quality of food served at breakfast was excellent while 49 percent rated it as good. Service at this meal period was rated excellent by 20.7 percent of respondents and good by 59.7 percent.

Consumers appear to be least satisfied with the service and quality of food at lunch. This meal period had the smallest numbers of respondents—11.9 percent—indicating food quality was excellent and the largest number—5.5 percent—rating it as poor or very poor. Those rating service as excellent was lower than the average for all respondents and more respondents rated luncheon service as poor. Twenty-three percent indicated that the service they received at this meal period was excellent and about four percent rated it as poor or very poor.

Food quality and service ratings by meal period

	Breakfast		Lunch		Dinner	
Rating	Food Quality	Service	Food Quality	Service	Food Quality	Service
Excellent	14.0%	20.7%	11.9%	23.3%	15.7%	24.9%
Good	49.0	59.7	39.9	48.2	54.1	53.3
Fair	31.0	14.9	40.5	23.1	27.1	19.2
Poor	4.0	4.6	3.9	3.0	2.2	1.0
Very poor	—	—	1.6	0.9	—	0.6

CREST reports on menu product positioning

Highlights

- **French fries are the most popular menu item, ordered by almost half of all patrons. Usually, french fries accompany hamburger orders. In fact, they are included with half the orders for this entree.**
- **Hamburgers are the most popular entree. Approximately three out of 10 restaurant patrons order hamburgers at least once in an average two-week period.**
- **Soft drinks are the most frequently ordered beverage. Forty-seven percent of all CREST families ordered this item—usually with a hot dog or hamburger entree.**
- **Hamburger orders are more likely to include a side dish and other menu items than are other sandwich entrees within the fast food segment.**
- **Side dishes are included with most entree orders at non-fast food restaurants and are ordered most often with steak or beef.**

Restaurant operators have been putting increased emphasis on new menu items over the past several years in an effort to boost sales. New items have been aimed at increasing customer traffic, attracting new customers and building repeat visits among existing patrons.

To help restaurant operators determine which menu items are most popular, at what times and in what combinations, CREST completed a study on menu product positioning.

CREST analyzed how often various food items were ordered as well as which side dishes, beverages and desserts were likely to be ordered with various entrees. The survey revealed that hamburgers and french fries are the most popular menu items in the restaurant industry. It also found that order frequency for side dishes and other add-on menu items vary by restaurant type, entree ordered and meal period.

(For more information on menu product development techniques, please see the 'Foodservice Trends' section of the March 1982 *NRA News*.)

Hamburgers most popular entree. . .

Hamburgers are, by far, the most popular entree. Approximately three out of 10 restaurant patrons ordered this menu item at least once in an average two-week period. Steak and other beef products followed, ordered by 23 percent of restaurant customers. Consumers also showed a preference for fish, chicken and pizza entrees. Twenty-two percent of CREST families ordered a fish entree at least once in an average two-week period while chicken and pizza each were ordered by 21 percent. On the other hand, ham, pork and veal were the least purchased entrees—ordered by less than five percent of all patrons in an average two-week period. However, these items are not always available on restaurant menus.

French fries most popular menu item. . .

Overall, french fries are the most popular menu item in the restaurant industry. Almost half, 47 percent, of patron families ordered this item at least once in an average two-week period. Salads are also a popular side dish, ordered by 37 percent of all restaurant customers at least once in an average two-week period. In comparison, hamburgers, the most popular entree, were ordered by almost 30 percent of restaurant patrons. Baked or mashed potatoes were ordered by two out of 10 CREST families while onion rings, the least popular side dish, were ordered by only five percent.

Desserts are also popular menu items. Three out of 10 restaurant customers ordered a dessert at least once in an average two-week period, according to the CREST study. Ice cream proved as popular as all other dessert items—ordered by 17 percent of patrons. All dessert items other than ice cream were ordered by 16 percent of CREST families.

Soft drinks most frequently ordered beverage. . .

Soft drinks are the most popular beverage item in the restaurant industry. Forty-seven percent of all CREST families ordered a soft drink at least once in an average two-week period. Coffee follows at a distant second—ordered by 27 percent of restaurant customers. Alcoholic beverages were ordered less frequently than other beverages.

Side dishes most often accompany hamburgers. . .

Within the fast food segment of the industry, hamburgers are more likely to include a side dish than any other sandwich entree. Seven out of 10 hamburger orders included a side dish. Over half of the orders for roast beef, fish and chicken sandwiches included a side dish, but they accompanied only 40 percent of hot dog orders. As the fast food industry moves away from hamburgers as its primary menu item to other entrees, such as chicken sandwiches and salads, a lower incidence of side dish orders can be expected.

Most entree orders at non-fast food restaurants include a side dish. They usually accompany steak or beef entrees where they are included with 93 percent of orders. Fish, veal and chicken follow with nine out of 10 orders including a side dish. On the other hand, side orders are included less often with main dish salad—20 percent—and pizza—11 percent.

Beverages ordered most often with main dish salads and steak or beef entrees. . .

Beverages are ordered most often with main dish salads, fish sandwiches and hamburgers at fast food restaurants—eight out of 10 such orders included a beverage. However,

Frequency of entrees ordered that include another menu item at fast food restaurants

Entrees	Percent of orders including a Side dish	Beverage	Dessert
Fried chicken	74%	49%	4%
Hamburger	70	79	7
Roast beef sandwich	59	76	4
Fish sandwich	55	80	7
Chicken sandwich	54	68	7
Hot dog	40	77	6
Mexican food	10	68	5
Salad	8	82	3

Source: *CREST, NPD Research, Inc.*

only 49 percent of fried chicken orders included a beverage. This menu item is frequently ordered for take-out and may account for the lower incidence of beverage orders.

The CREST study revealed four out of five entree orders at non-fast food restaurants included a beverage. They are ordered most often with pasta, hamburger and steak or beef entrees—included with 88 percent of orders for each of these items.

Desserts more popular at non-fast food restaurants. . .

Desserts are more popular at non-fast food restaurants than at fast food restaurants. Overall, they are included with about one out of 10 entree orders at non-fast food outlets versus only six percent at fast food restaurants. However, the frequency seems to vary with the item ordered—as desserts are included with 25 percent of chicken orders but only nine percent of roast beef sandwich orders at non-fast food restaurants.

At fast food restaurants, desserts are most likely to be ordered with hamburgers, fish sandwiches and chicken sandwiches but are ordered less frequently with salads.

French fries ordered most often with hamburgers. . .

The incidence of ordering side dishes varies with the entree, according to CREST study findings. French fries are most popular with hamburgers—they were included on 50 percent of orders. They accompany roast beef sandwich orders much less often—22 percent.

Salads and baked or mashed potatoes were ordered most

Frequency of entrees ordered that include another menu item at non-fast food restaurants

Entrees	Percent of orders including a Side dish	Beverage	Dessert
Steak or beef	93%	88%	20%
Fish	92	87	15
Veal	91	76	24
Chicken	90	81	25
Pork	85	82	20
Ham	76	86	21
Hamburger	66	88	10
Pasta	63	88	16
Roast beef sandwich	56	83	9
Fish sandwich	50	85	10
Hot dog	41	85	12
Salad	20	81	9

Source: *CREST, NPD Research, Inc.*

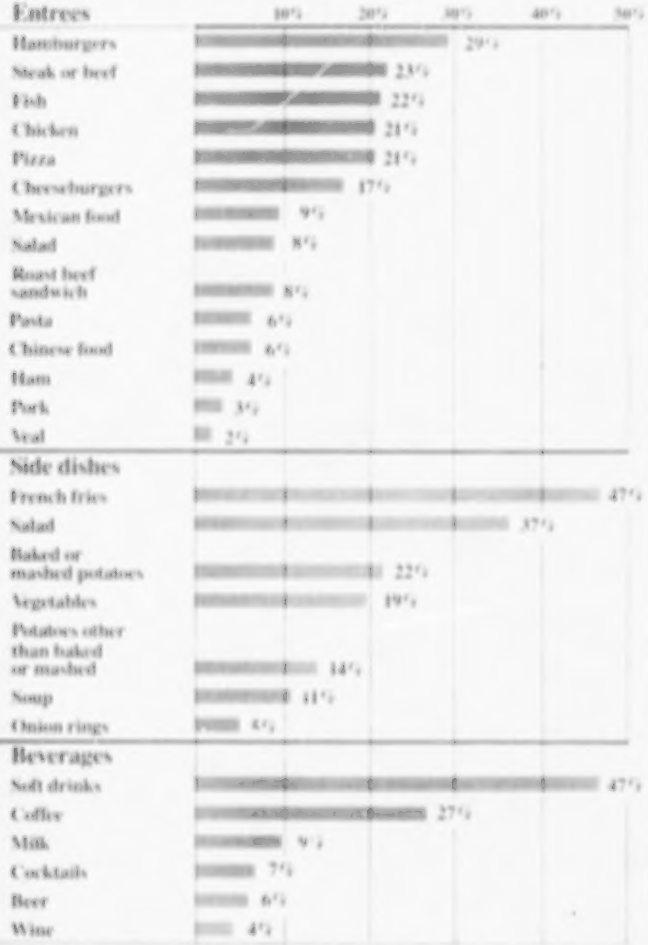
Frequency of ordering menu items by meal occasion

Menu items	Lunch	Supper	Other Meals*
Baked or mashed potatoes	28%	70%	2%
Alcoholic beverages	24	68	8
Salad	31	67	2
Vegetables	39	58	3
Onion rings	37	56	7
Soup	45	51	4
French fries	43	51	6
Tea	47	43	10
Soft drinks	46	39	15
Shakes	41	38	21
Milk	38	34	28
Coffee	32	31	37
Desserts	24	30	46

*Includes breakfast and snack periods

Source: *CREST, NPD Research, Inc.*

Frequency of ordering menu items



Note: Indicates percent of CREST families that ordered menu item at least once in an average two-week period.

Source: *CREST, NPD Research, Inc.*

frequently with steak or beef entrees. Salads were included with 68 percent of orders for this menu item while baked or mashed potatoes accompanied 46 percent of the orders for steak or beef entrees. Salads also have a high incidence of accompanying fish, veal and pasta entrees. Vegetables and soup are the most popular side dishes with veal entrees. Vegetables were included with 47 percent of such orders while soup accompanied 17 percent.

Soft drinks popular with hot dogs and hamburgers. . .

Soft drinks are ordered most often with hot dogs and hamburgers—they were included on 53 percent and 39 percent of orders for these menu items. However, they are less popular with entrees such as steak or beef, fish, pork and veal. On the other hand, coffee is frequently ordered with veal, steak or beef and pork entrees, but is included least often with hot dogs.

Tea is the most popular beverage item with salad and pork entrees—included with two out of 10 orders. Alcoholic beverages accompany veal and fish entrees most often, included with approximately one-fourth of the meals.

Tea and soft drinks most popular lunch beverages. . .

Tea and soft drinks are the most frequently ordered beverages at lunch. Forty-seven percent and 46 percent of total orders for these beverages occurred at this meal occasion. Consumers also showed a preference for french fries, vegetables, onion rings, soup and shakes at the mid-day meal.

Baked or mashed potatoes have the highest order frequency at supper—70 percent. They are followed by alcoholic beverages at 68 percent and salads at 67 percent. Consumers also showed a preference for vegetables, onion rings, soup and french fries at the evening meal.

Coffee, milk and potatoes (other than baked or mashed and french fries) were preferred at breakfast while desserts had the highest order frequency at snack periods.

Commodity spotlight-price and availability forecast

During the first six months of this year wholesale food costs for restaurant operators have risen at a considerably faster rate than overall wholesale food prices. The NRA Food Cost Index averaged 2.8 percent higher in the first six months of this year, compared with a gain of only 0.8 percent for overall wholesale food prices. Higher prices for other meats, fish and shellfish, fresh fruit and beverages contributed to the rise in food costs for restaurant operators during the first half of this year. In addition wholesale food costs increased 0.6 percent in June from the month earlier while overall wholesale food costs are up at a slightly lower, 0.4 percent, rate. This report will spotlight food prices for the second quarter of 1982—April through June—and projections for the third and fourth quarters.

- **Beef:** Beef production totaled 5.4 billion pounds in the second quarter of 1982, down 1.6 percent from the same three-month period a year ago. However, USDA estimates output will rise in the second half of this year as larger feedlot placements are expected to boost grain-fed cattle marketings. Production is projected to rise 2.9 percent in the third quarter from the same period a year ago and 2.6 percent in the October-December period.

Prices for choice steer at Omaha averaged $70.50 per cwt in the second quarter—up 5.7 percent from $66.68 during the same three-month period in 1981. However, USDA predicts prices will fall somewhat during the second half of this year—averaging $66 to $70—due to larger grain-fed beef supplies.

- **Pork:** Pork production totaled 3.6 billion pounds in the second quarter—down 8.5 percent from the same three-month period a year ago. USDA projects output will continue to fall—down 12.6 percent in the third quarter and down 20.0 percent in the fourth quarter.

Pork prices rose considerably in the April-June period in response to the sharp drop in production as well as smaller supplies of poultry and beef. Prices averaged $56.50 per cwt in the second quarter—up 29.5 percent from $43.63 during the same period in 1981. USDA forecasts prices will continue to rise in the second half of this year due to lower stocks and production as well as little change in supplies of other meats. Prices are projected to average $57 in the third quarter—up 13.1 percent from $50.42 during the same period a year ago. During the October-December period, prices are projected to average $55—a gain of 29.0 percent from $42.63 during the same quarter a year ago.

- **Broilers:** During the April-June period, broiler production declined 1.5 percent from the same three-month period in the prior year. However, output is expected to increase during the second half of 1982, up one percent from 1981.

Broiler prices averaged 45 cents per pound in the second quarter—down 3.6 percent from 46.7 cents per pound in the same three-month period last year. USDA predicts broiler prices will strengthen during the second half—averaging 47 cents to 54 cents per pound due to significantly smaller pork supplies and an improving economy.

- **Fruit:** Wholesale prices for fresh fruit averaged 10.9 percent higher during the first half of 1982 from the same period a year ago. Supplies of fresh summer fruit will be down sharply this year from the 1981 level due to adverse spring weather. As a result, USDA projects fruit prices will remain well above those a year ago.

The California nectarine crop is forecast at 150,000 tons, down 18 percent from 1981. Peach production is estimated to equal 2.12 billion pounds—a 24 percent decrease from a year ago. The California plum crop is also estimated to decline—down 52 percent from 1981.

- **Vegetables:** Wholesale prices for fresh vegetables fell 6.8 percent during the first six months of 1982 from the same period a year ago. Acreage planted for most major summer vegetables is close to 1981 levels with the exception of broccoli and tomatoes. Plantings are up 16 percent. If yields are average, USDA projects supplies will equal 1981 levels. However, tomato production is expected to decline 5.0 percent as cool weather in California has delayed crop development.

Planted acreage contracted for side-dish vegetables—snap beans, sweet corn and green peas—is up only slightly from a year ago. As a result, the pack of canned peas and beans will be substantially lower than a year ago. However, supplies of corn should be ample due to large carryover stocks. Restaurant operators can expect higher prices for beans and peas, particularly if sales pick up from the current slow pace.

Editor's note:
Information in this article describes the food situation in early August 1982. Readers should be aware that prices and supplies of many commodities can change rapidly. For the latest information on wholesale food prices and supplies, contact NRA's Research and Information Services Department in Washington, DC, (202) 638-6100.

Commodity Price Index

	Percent Change			
COMMODITY	1980-1981	June '81-June '82	6 mos. '81-6 mos. '82	May '82-June '82
Bakery products	8.3%	3.1%	4.4%	0.2%
Flour & cereal	−7.0	−6.5	−4.6	0.1
Beef & veal	−5.0	6.2	1.9	0.1
Other meats	−7.6	22.3	14.0	2.4
Pork	−11.5	19.9	14.8	2.1
Poultry & eggs	2.4	−7.5	−7.9	1.6
Poultry	nc	−7.1	−11.5	1.3
Eggs	9.2	−8.8	1.9	−3.0
Fish & shellfish	1.8	9.6	8.4	1.0
Sugar & sweets	−2.9	−3.1	−7.9	0.7
Sugar	13.6	2.9	−12.6	1.4
Vegetables	22.6	2.8	−0.7	2.1
Fresh vegetables	27.1	0.2	−6.8	2.8
Fruits & juices	4.1	3.3	7.9	−3.8
Fresh fruit	−5.2	5.6	10.9	−9.6
Beverages	−2.3	4.6	5.2	−0.2
Dairy products	6.4	1.3	1.1	0.1
Fats & oils	2.1	0.9	−0.8	0.1
NRA Food Cost Index	3.0%	4.8%	2.8%	0.6%
All Food, Producer Price Index[1]	3.1%	2.7%	0.8%	0.4%

[1] Includes all processed foods (except soft drinks, alcoholic beverages and animal feeds) plus eggs and fresh and dried fruits and vegetables.

Sources: *Producer Price Index*, Bureau of Labor Statistics, NRA

Industry index

Sales at eating and drinking places increased 10.0 percent in July 1982 over the same month a year ago following a 9.2 percent gain in June.

Eating place sales advanced 10.6 percent in May over the same period in 1981 with real sales—adjusted for inflation—up 5.2 percent. During the first five months of this year eating places recorded real sales growth of 2.6 percent, somewhat higher than NRA's forecast of two percent in 1982.

Menu prices, as measured by the Consumer Price Index (CPI) for food away from home, increased 5.3 percent in June over the same month a year ago. This is similar to the 5.4 percent gain experienced in May.

Prices for food at home rose 5.2 percent in June over the the same month a year ago—somewhat faster than the 4.5 percent increase experienced in May.

Retail sales (\$000,000)

	July 1982	percent change vs. July year ago	Year-to-date sales 1982	percent change vs. year ago
All retailers	\$89,801	+1.8%	\$594,379	+2.1%
Eating & drinking places	9,271	10.0	58,223	7.9
Food stores	21,950	4.9	143,060	5.4

Source: *Bureau of Census; unadjusted data; subject to revision*

Consumer prices

	percent change vs. June year ago	percent change 1982 to date vs. year ago
Food at home	5.2%	+4.0%
Food away from home	5.3	5.7
All items less food	7.5	7.8

Source: *Bureau of Labor Statistics*

Eating place indicators (\$000,000)

	May 1982	percent change vs. year ago	Year-to-date sales	percent change vs. year ago
Eating place sales	\$8,021	+10.6%	\$35,571	+8.4%
Real eating place sales (May)	—	+5.2%	—	+2.6%

Sources: *Bureau of Census; Bureau of Labor Statistics; NRA calculations; subject to revision*

Employment and earnings

	May 1982	percent change vs. year ago
Total employment	4,929.8 employees	+2.1%
Non-supervisory employment	4,544.8 employees	2.1
Non-supervisory average hourly earnings	\$4.09 per hour	4.1
Average weekly hours	26.3 hours	1.5

Source: *Bureau of Labor Statistics*

HALF BAKED

'The worst food in Oregon'

Betty and Bernie Hannaford, owners of "The Worst Food in Oregon," happily offer Rolaids to customers who eat in their eastern Oregon restaurant. "It's the worst food you ever ate," says Mrs. Hannaford, "and our service is worse still."

When diners ask what the chef recommends, the Hannafords advise that customers take their money to another restaurant down the road. There is a catch to this free-flowing advice, however—the nearest eating establishment is 63 miles away, across the sagebrush-covered eastern Oregon desert.

"Ours is just a little hole in the wall. But if I wanted to, I could double the size of the building," says Mr. Hannaford.

"That's all we need," adds his wife, "more customers." *Associated Press*

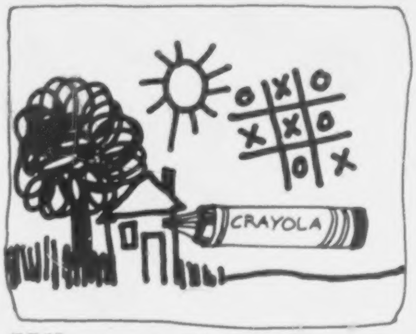
Ice cream and fixin's—reviewers' choice

An eighth grade class from Leland Junior High School in Bethesda, MD recently discovered that the life of a restaurant reviewer is not a piece of cake.

As a class project, the students reviewed 32 area restaurants and wrote a book about their conclusions, entitled *To eat or not to eat.*

A partial listing of their opinions quickly reveals the preferences of the young reviewers: Instead of "bland" Chinese food and "poorly-served" pickles the reviewers gave top ratings to Baskin-Robbins ice cream and applauded Roy Rogers for its hamburger fixin's bar.

The Washington Post Magazine



When customers will be kids

In order to save money, restaurateur Damion Kahn—owner of Nanny Rose in New York—covered his tables with butcher paper instead of expensive linen. It did save him money, but the dining room started to look so tacky and dull that Kahn came up with another idea. He called Crayola Crayons Co. and asked to use their trademark crayons in his restaurant. Crayola agreed and, from that point on, Nanny Rose became extremely colorful.

Kahn places large jars of crayons on each table. Customers draw elaborate pictures and play games while they wait for their meals to arrive. Kahn displays the best drawings.

"It's been great for repeat business," Kahn exclaimed. "People are looking for a total entertainment package when dining out, and the crayons provide a form of entertainment." So far the coloring promotion has cost him nothing—Crayola provides all the supplies. *Briefing Newsletter*

The cookie caper

You've been dieting all week and crave something sweet. Then—to your astonishment—you hear about a 21-calorie cookie. "Now," you think, "I can have my cake and eat it too." Not so, says Barbara Haroche, owner of the Skinny Dip Gourmet, a take-out restaurant in New York City.

When customers left her establishment because she didn't carry the jumbo cookies they had heard about, Haroche decided to purchase some and hired a New York laboratory to analyze the calorie content. The verdict: a whooping 240 calories each—10 times the advertising claim. Haroche turned over her cookie findings to a Manhattan community newspaper, which published a front-page expose.

Why did she bother? "One look at the cookies and you know immediately they can't be 21 calories," Haroche explained. "They weigh two ounces and contain oil, honey, molasses and peanut butter. One bite alone is probably more than 21 calories."

"If you say low-calorie, your product should be low-calorie," she said.

And Haroche should know because she employs a registered dietitian who makes sure that all the take-out selections are within 10 percent of the advertised caloric content. "I don't fool my customers with false advertising claims, and nobody else should either," she said.

In its defense the cookie manufacturer claims that although the cookies do contain 240 calories, they also contain a starch inhibitor which prevents the body from absorbing 219 calories.

Before the cookie caper, business was slow; but Haroche says that since the publicity about her expose, things have picked up. "Curious people are also coming into the store. They wouldn't have done that before the article," she said.

Wall Street Journal

NRA SEMINAR SCHEDULE

Bar Management

Nov. 15-17	Boston, MA

Basic Supervision

Oct. 26	Indianapolis, IN
Nov. 9	Cherry Hill, NJ
Nov. 16	Chicago, IL

Computers

Nov. 8	St. Louis, MO

Controlling Beverage Costs

Oct. 4	Ft. Lauderdale, FL
Oct. 19	Buffalo, NY
Oct. 20	Albany, NY
Nov. 1	Raleigh, NC
Nov. 3	Savannah, GA
Nov. 9	Baltimore, MD
Nov. 16	Charleston, WV

Controlling Food Costs

Nov. 1	Portland, OR
Nov. 8	Nashville, TN
Nov. 15	Charleston, WV

Controlling Labor Costs

Oct. 11	Cincinnati, OH

Creative Merchandising Techniques

Oct. 25	Milwaukee, WI

Dining Room Management

Oct. 5	Seattle, WA
Oct. 7	Los Angeles, CA
Nov. 1	Sacramento, CA
Nov. 3	Aspen, CO
Nov. 9	Wilmington, DE
Nov. 17	Milwaukee, WI

Fish and Seafood

Oct. 5	Baltimore, MD
Oct. 7	Norfolk, VA
Oct. 18	San Diego, CA

Hiring Hourly Employees

Oct. 18	Minneapolis, MN

Preparing a Successful Employee Manual

Nov. 3-4	Williamsburg, VA
Nov. 22-23	Las Vegas, NV

How to Turn your Restaurant Business into a Private Tax Shelter

Nov. 1-2	Atlantic City, NJ
Nov. 17-18	Honolulu, HI

Kitchen Management

Oct. 21	Hartford, CT
Oct. 24	Wichita, KS
Oct. 26	Houston, TX
Nov. 16	Washington, DC
Nov. 22	Williamsburg, VA

Location! Location! Location! How to Successfully Negotiate and Finance your New Operation(s)

Oct. 6-7	Atlanta, GA

Marketing for Profit

Oct. 27-28	Austin, TX

Menu Development

Oct. 4	Tarrytown, NY
Nov. 15	Bangor, ME
Nov. 17	Manchester, NH
Nov. 30	Salt Lake City, UT

Off-Premise Catering

Oct. 4-5	Portland, OR
Nov. 8-9	St. Louis, MO
Nov. 29-30	Los Angeles, CA

Performance Review

Oct. 19	Minneapolis, MN

Practical Accounting for Foodservice Managers

Oct. 5	Oklahoma City, OK

Practical Meat Workshop

Nov. 23	Richmond, VA

Real Estate and Site Selection

Oct. 12-13	Atlantic City, NJ
Nov. 9-10	Houston, TX

Simplified Baking Workshop

Oct. 5	Darien, CT
Nov. 18	Boston, MA

Soups and Sauces

Oct. 18	Washington, DC
Oct. 19	Boston, MA

Super Salads

Oct. 12	Phoenix, AZ
Oct. 14	San Antonio, TX

Winning! Labor Law and Unions

Oct. 20-21	Honolulu, HI

National Conference on Purchasing

Oct. 11-13	Chicago, IL

National Conference on Alcoholic Beverage Service

Nov. 7-10	Dallas, TX

For more information, contact NRA's seminar department, 311 First St., NW, Washington, DC 20001; call (202) 638-6100 or (800) 424-5156.

NRA's Second Annual National Conference on Purchasing

A two-and-one-half-day foodservice forum

Purchasing '82—a bottom line approach

October 10-12
Palmer House
Chicago, Illinois

NATIONAL RESTAURANT ASSOCIATION

WN 09/13 MEMBER#81L006WF
STATISTICAL REFERENCE IND
CONGRESSIONAL INFO SERVICE
4520 EAST-WEST HWY #800
WASHINGTON DC 20014